

# Strata Minerals Restructuring

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Toronto, February 9, 2017 - Strata Minerals Inc. (TSXV: SMP) ("Strata Minerals" or, the "Company") announces the restructuring of its affairs.

## Restructuring Overview

Strata Minerals announces the following shareholder approved restructuring transactions as well as board and executive appointments:

- The issuance of 49,800,000 pre-consolidation common shares to certain creditors who advanced \$249,000 towards the short term operational budget of the Company in exchange for promissory notes ("Promissory Notes"). The Promissory Notes are to be settled through the issuance of common shares of the Company at a deemed pre-consolidation price of \$0.005 per share to the Short-Term Financiers as previously disclosed in Company's press release November 15, 2016 ("Debt Settlement");
- The consolidation of the Company's common shares on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares (the "Share Consolidation");
- The appointment of Michael Mansfield, Carmelo Marrelli, Donald Birak and Hugh Agro as directors of the Company;
- The appointment of Mr. Agro as President, Chief Executive Officer, Chief Financial Officer and Secretary of the Company; and
- The appointment of Messrs. Michael Mansfield, Donald Birak, who are independent, and Carmelo Marrelli to the Audit Committee of the Company.

The Debt Settlement and Share Consolidation noted above, were approved by shareholders at the Strata Minerals' Annual and Special Meeting of Shareholders held in Toronto, Ontario on Thursday, December 8, 2016 (the "Meeting"). The shareholders also approved the following:

- The appointment of BDO Canada LLP as the Company's auditors for the fiscal year 2017;
- The ratification of the Company's 10% "rolling" incentive stock option plan; and,
- An amendment of the articles of incorporation authorizing the registered office of the Company to be moved from the Province of British Columbia to the Province of Ontario.

Furthermore, the Company is pleased to announce:

- The completion of agreements with creditors holding approximately \$485,000 of historic payables to settle for an aggregate amount of approximately \$90,000;
- A non-brokered private placement of common shares of the Company for gross proceeds of up to \$210,000 at a price of \$0.07 per common share of the Company (the "Proposed Private Placement"). Proceeds of the Proposed Private Placement will be used for general corporate purposes; and,
- A grant of 350,000 options to directors and officers under the Company's incentive stock option plan. All options so granted are granted for a term of five years with an exercise price of \$0.10.

On completion of the transactions outlined above, Strata Minerals will have approximately 10.5 million shares, 350,000 options and no other dilutive instruments outstanding.

Strata Minerals is listed on the NEX board of the TSX Venture Exchange (the “**Exchange**”). The Debt Settlement, the Proposed Private Placement and the grant of options to directors and officers are subject to TSX Venture Exchange approval. Strata Minerals expects trading in the Company’s shares to resume following TSX Venture Exchange approval of the transactions described above.

### **Early Warning Reports and Related Party Transactions**

As a result of the Debt Settlement and subject to the TSX Venture Exchange approval, Mr. Agro will acquire 1,720,000 and Peter Kozicz will acquire 1,020,000 post-consolidation common shares of the Company at a price of \$0.05 per common share. For the purposes of this notice, the address of Messrs. Agro and Kozicz is 82 Richmond Street East, 1st Floor, Toronto, Ontario M5C 1P1.

Prior to the Debt Settlement, Mr. Agro owned 419,225 post-consolidation common shares of the Company (or approximately 17.2% of the issued and outstanding common shares) and Mr. Kozicz owned 194,545 post-consolidation common shares of the Company (or approximately 8% of the issued and outstanding common shares). The issuance of common shares in connection with the Debt Settlement will bring Mr. Agro’s and Mr. Kozicz’s respective holdings in the capital of the Company to approximately 28.9%, and 16.4% of the common shares expected to the issued and outstanding upon completion of the Debt Settlement. The common shares were acquired by Messrs. Agro and Kozicz for investment purposes, and depending on market and other conditions, each of them may from time to time in the future increase or decrease his ownership, control or direction over securities of the Company through market transactions, private agreements, or otherwise.

As a result of the increase of Mr. Agro’s shareholding in connection with the Debt Settlement to approximately 28.9% of the Company’s outstanding common shares, Mr. Agro, as approved by a disinterested shareholders at the Meeting, has become a new Control Person of the Company.

As Mr. Agro’s shareholdings prior to the Debt Settlement exceeded 10%, of the then issued and outstanding common shares and Mr. Kozicz’s proposed shareholdings after Debt Settlement will exceed 10% of the then issued and outstanding common shares, in satisfaction of the requirements of the National Instrument 62-104 - *Take-Over Bids And Issuer Bids* and National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, Early Warning reports respecting the acquisitions of common shares by Mr. Agro and Mr. Kozicz will be filed upon the completion of the Debt Settlement under the Company’s SEDAR Profile at [www.sedar.com](http://www.sedar.com).

The Debt Settlement with Short-Term Financiers excluding Mr. Mansfield constitutes a “related party transaction” as such term is defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Company relies on exemption from valuation and minority approval requirements of MI 61-101. The Company relies on the exemption from valuation requirement pursuant to subsection 5.5(b) of MI 61-101, as the securities of the Company are not listed or quoted on enumerated stock exchanges, and the Company relies on the exemption from minority approval under subsection 5.7 (b) of MI 61-101, as the securities of Company are not listed or quoted on an enumerated exchange; neither consideration received, nor the fair value of the securities distributed exceeds \$2,500,000; and Michael Mansfield, who represents at least two thirds of independent directors of the Company, voted in favour of the related party transaction.

In connection with the Proposed Private Placement Hugh Agro, President, Chief Executive Officer and a Director of the Company, plans to subscribe for 360,000 common shares of the Company. This issuance of common shares to Mr. Agro will considered to be a "related party transaction" as such term is defined under MI 61-101. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under MI 61-101 on the basis that participation in the private placement by insiders will not exceed 25% of the fair market value of the Company's market capitalization.

## **Summary Director Bios**

*Hugh A. Agro, B.Sc., MBA, P.Eng.*

Mr. Agro is a Principal of Carbon Arc Capital Investments Inc., a private-equity backed investor in mining and metals. Prior to co-founding Carbon Arc, Mr. Agro served as Executive Vice President, Strategic Development with Kinross Gold Corporation. At Kinross, Mr. Agro was a member of the Executive Leadership Team and responsible for strategic and operational leadership of Kinross' growth initiatives including corporate development, global exploration and commercial activities in Russia. Previously, Mr. Agro held senior executive positions with Placer Dome, Senator Capital Partners and in investment banking with Deutsche Bank's Global Metals and Mining Group. Mr. Agro has served on the Board and Audit Committees of Victoria Gold Corp., Chantrell Ventures and Americas Silver Corp. Additionally, Mr. Agro has, in the past, served as a Director, Chairman and Interim CEO of Strata Minerals and currently serves as a Director of Fort Berens Estate Winery Ltd., an award-winning winery located in British Columbia, Canada. Mr. Agro holds a Bachelor of Science in Mining Engineering from Queen's University (1989) and MBA Finance from UBC & London Business School (1997).

*Carmelo Marrelli, B.Comm., CPA, CA, CGA*

Carmelo Marrelli is the principal of Marrelli Support Services Inc., a firm that delivers accounting and regulatory compliance services to listed companies on the Toronto Stock Exchange (TSX), TSX Venture Exchange (TSX-V) and the Canadian Securities Exchange (CSE), as well as non-listed companies. In addition, Carmelo is affiliated with both DSA Corporate Services Inc. ("DSA") and The Canadian Venture Building, Limited ("The Canadian Venture Building"). DSA is a firm providing corporate secretarial and regulatory filing services to the junior capital market in Canada and The Canadian Venture Building is a company offering short and long-term office rental solutions. Carmelo is a Chartered Professional Accountant (CPA, CA, CGA) and a member of the Institute of Chartered Secretaries and Administrators, a professional body that certifies corporate secretaries. He has a Bachelor of Commerce degree from the University of Toronto. Carmelo also acts as the chief financial officer to a number of issuers on the TSX, TSX-V and CSE, as well as non-listed companies and a director of select issuers.

*Michael W. Mansfield, CA, CFA*

Mr. Mansfield is a Vice-President, investment advisor and portfolio manager at Echelon Wealth Partners. Mr. Mansfield has 20 years' experience as investment advisor specializing in the Canadian venture market working both on the private and public investors and companies. He has a track record of successfully taking public over a hundred of companies through the completion of qualifying transactions by Capital Pool Corporations and secondary financings. Mr. Mansfield graduated from the University of Calgary in 1989, articulated with KPMG and obtained CA designation in 1993 and CFA designation in 1998.

*Donald J. Birak, B.Sc., M.Sc. (Geology)*

Mr. Birak is a geologist with over 37 years of experience in the minerals industry. He served as Senior Vice President of Exploration for Coeur Mining, Inc. from 2004 to October 2013. Previous to his time at Coeur, he served as Vice President of Exploration with AngloGold North America, Independence Mining Company, and Hudson Bay Mining and Smelting. Mr. Birak currently serves on the Board of Dolly Varden Silver Corp and Swift Resources Inc. In 2001, Mr. Birak was co-recipient of the 'Bill Dennis Prospector of the Year' award given by the Prospectors and Developers Association of Canada. Mr. Birak received his Master of Science in Geology from Bowling Green State University, in Ohio. He has authored and co-authored several professional publications on the geology and metallurgy of sediment-hosted and epithermal precious metal deposits and on the use of geostatistics in resource modeling and grade control. He is an active member of the Society of Economic Geologists (SEG) and is currently Chairperson of the Fund Raising Committee of the SEG Foundation and a member of the Budget and Investment committees of the society. He is a Registered Member of the Society for Mining, Metallurgy and Exploration (SME) and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM).

## **About Strata Minerals Inc.**

Strata Minerals Inc. is a mineral exploration and development company. The Company holds a 51% interest in the Diamond Mountain phosphate project located in the State of Utah. The Company is currently assessing exploration and development plans for Diamond Mountain and evaluating other business development opportunities. Additional disclosure of the Company's financial statements, technical reports, material change reports, news releases and other information can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).

Neither the 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 news release.

**For further information, please contact:**

**Shaun Drake at (416) 848-0107**

## **Cautionary Statement**

This news release includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with the Company's business and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are the risks detailed herein and from time to time in the filings made by the Company with securities regulators including the following: (i) the Company's securities are currently suspended from trading and, despite the best efforts of the Company to remove the suspension, there can be no guarantee that trading will resume; (ii) if the trading is resumed, investment in the common shares of the Company is highly speculative given the Company's business and the present stage of development of the Company; (iii) there can be no guarantee of the Company's ability to capitalize on, or maintain, its current interest in Diamond Mountain Project; (iv) the directors and officers of the Company, or the persons in their capacity of acting directors and officers of the Company, will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time; (v) there can be no assurances of the ability of the Company to finance its projects, or the Company's ability to find distributors and source off-take agreements; (vi) factors such as, but not limited to, changes in demand and prices for phosphate, changes in general economic conditions and conditions in the financial markets, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments as well as technological and operational difficulties encountered in connection with the Company's activities can affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company forward-looking statements. Although the Company 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. The Company 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.