

# Gravitas Announces Sale of Principle Capital Partners Corp.

Toronto, Ontario--(Newsfile Corp. - June 11, 2019) - Further to its news release issued on May 28, 2019 announcing the entering into of an accommodation agreement and related sale and investment solicitation process ("SISP"), Gravitas Financial Inc. (CSE: GFI) ("Gravitas") today announces that it has entered into an agreement with Yuhua International Capital Inc. ("Yuhua") pursuant to which Yuhua will acquire Gravitas' shares of Principle Capital Partners Corp. (formerly Gravitas Mining Corp.) as well as certain receivables for cash proceeds of \$1,150,000 (the "Transaction").

The proceeds of the Transaction will be used in accordance with the accommodation agreement and will permit Gravitas to obtain the needed working capital in order to continue operations in the short term as well as further the SISP.

An independent member of the Board of Gravitas reviewed the terms of the Transaction and determined that it is in the best interest of Gravitas considering, among other things:

- the recommendation of FTI Capital Advisors - Canada ULC ("FTI"), the party assisting with the SISP, after consultation with FAAN Advisors in its capacity as Chief Process Advisor, with FTI advising that the purchase price appears reasonable and appropriate;
- the Transaction being supported by the majority holders of Gravitas' secured debt; and
- the current financial situation of Gravitas.

The Transaction is subject to certain closing conditions and is expected to close on June 13, 2019.

The Transactions will constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protections of Minority Security Holders in Special Transactions* ("MI 61-101"). However, due to Gravitas' current financial situation, Gravitas is relying on the exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in Section 5.5(g) and Section 5.7(1)(e) of MI 61-101, respectively, on the basis of the "financial hardship" exemption therein.

The independent member of the Board, acting in good faith, has determined that due to Gravitas' current financial situation, that the Transaction is designed to improve Gravitas' financial position, and that the terms of the Transaction are reasonable in Gravitas' circumstances. As the other Board members all disclosed an interest in the Transaction, the Transaction was approved unilaterally by the independent member.

Gravitas expects to file a material change report in respect of the related party transaction less than 21 days prior to the closing of the Transaction, which Gravitas deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Transaction in an expeditious manner.

## Forward-looking Statements.

Certain statements in this news release constitute "forward-looking" statements. These statements relate to future events or our future performance. Forward-looking statements include the closing of the Transaction and the statement that the Transaction will permit Gravitas to obtain needed working capital in order to continue operations in the short term. All such statements involve substantial known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to vary from those expressed or implied by such forward-looking statements. Forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date of this news release. Forward-looking statements involve significant risks and uncertainties, they should not be read as guarantees of future performance or results, and they will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, that the closing will not occur and that the proceeds from the Transaction will be insufficient for Gravitas' financial needs, even in the short term. Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions on the date of this news release, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties and other risks detailed from time-to-time in Gravitas' ongoing filings with the securities regulatory authorities, which filings can be found at [www.sedar.com](http://www.sedar.com). These forward-looking statements are made as of the date of this news release and Gravitas disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

## ABOUT GRAVITAS FINANCIAL INC.

Gravitas Financial Inc. is a platform company that creates businesses in key traditional and emerging sectors with strong industry partners. Our industry focus includes financial services and fintech. We leverage our unique platform to develop a continuous pipeline of new ventures with significant blue-sky potential. Our platform is complimented by strong investment research and digital investment media groups.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information or to receive a copy of the early warning report referred to above, please contact:

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