



1319732 B.C. LTD. ANNOUNCES COMPLETION OF SHARE SPLIT AND PRIVATE PLACEMENT

VANCOUVER, BRITISH COLUMBIA, CANADA, August 26, 2022 /EINPresswire.com/ -- 1319732 B.C. Ltd. (the "Company") announces that the shareholders of Company by unanimous resolution have agreed to split the Company's 36 common shares issued and outstanding on a 67,788:1 basis such that the Company has, immediately after the split but prior to the completion of the Offering (as defined below), 2,440,368 common shares issued and outstanding on a post-split basis (each post-split common share, a "Common Share").

The Company is also pleased to announce that it has completed a private placement offering for aggregate gross proceeds of \$136,928 and has issued an aggregate of 1,309,638 Common Shares (the "Offering"). No finder's fees were paid in connection with the Offering. The Company intends to use the proceeds of the Offering for the settlement of debt and general working capital purposes.

Related Party Participation in the Offering

As insiders of the Company participated in the Offering, it is deemed to be a "related party transaction" as defined under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsection 5.5(b) and 5.7(1)(b)) as the Company is not listed on the markets specified in MI 61-101 and neither the fair market value of the common shares distributed to, nor the consideration received from interested parties exceeded \$2,500,000.

The Company did not file a material change report more than 21 days before the expected closing of the Offering because the details of the participation therein by related parties of the Company were not settled until shortly prior to closing of the Offering and the Company wished to close on an expedited basis for business reasons.

Early Warning Disclosure

In connection with the Offering, 2674049 Ontario Inc. ("267 Ontario") of Toronto, Ontario, has acquired 625,000 Common Shares and 1000294101 Ontario Inc. ("101 Ontario"), of Toronto, Ontario, has acquired 625,000 Common Shares, each at a price of \$0.10 per share.

Prior to the completion of the Offering, each of Shimcity Inc. ("Shimcity") and 2657456 Ontario Inc. ("265 Ontario" and together, the "Transferors"), of Toronto, Ontario, transferred 610,090

Common Shares to 2578218 Ontario ("218 Ontario") at an aggregate purchase price of \$0.50, in a private transaction (the "Share Transfer"). In connection with the Share Transfer, the Transferors entered into separate options agreement (the "Agreements") with 218 Ontario pursuant to which the Transferors may repurchase the Common Shares transferred at a price equal to the purchase price, at a later date and subject to certain conditions. Under the Agreements, 218 Ontario has also assigned voting rights applicable to the Common Shares to the Transferors.

Prior to the completion of the Share Transfer, each of Shimcity and 265 Ontario held and beneficially owned, or exercised control or direction over 1,220,184 Common Shares, representing 50.00% of the issued and outstanding Common Shares on a non-diluted basis and 218 Ontario held and beneficially owned, or exercised control or direction over no Common Shares. After giving effect to the Share Transfer and prior to the completion of the Offering, 218 Ontario held and beneficially owned, or exercised control or direction over 1,220,180 Common Shares, representing 50.00% of the issued and outstanding Common Shares on a non-diluted basis, and Shimcity and 265 Ontario each held and beneficially owned, or exercised control or direction over 610,094 Common Shares, representing 25.00% of the issued and outstanding Common Shares on a non-diluted basis.

Following the completion of the Offering:

- (i) Shimcity holds and beneficially owns, or exercises control or direction over 610,094 Common Shares, representing 32.94% of the issued and outstanding Common Shares on a non-diluted basis;
- (ii) 267 Ontario holds and beneficially owns, or exercises control or direction over 625,000 Common Shares, representing 16.67% of the issued and outstanding Common Shares on a non-diluted basis;
- (iii) Shimcity together with 267 Ontario, its joint actor, and 218 Ontario holds and beneficially owns, or exercises control or direction over 1,845,184 Common Shares, representing 49.20% of the issued and outstanding Common Shares on a non-diluted basis;
- (iv) 265 Ontario holds and beneficially owns, or exercises control or direction over 610,094 Common Shares, representing 16.27% of the issued and outstanding Common Shares on a non-diluted basis;
- (v) 101 Ontario holds and beneficially owns, or exercises control or direction over 625,000 Common Shares, representing 16.67% of the issued and outstanding Common Shares on a non-diluted basis; and
- (vi) 265 Ontario together with 101 Ontario, its joint actor, and 218 Ontario holds and beneficially owns, or exercises control or direction over 1,845,184 Common Shares, representing 49.20% of the issued and outstanding Common Shares on a non-diluted basis.

The Company has been advised that each of Shimcity, 267 Ontario, 265 Ontario, 101 Ontario and 218 Ontario (collectively, the "Reporters") hold their Common Shares as part of a strategic investment in the Company. The Reporters intend to review their holdings in the Company on a continuing basis and may purchase or sell Common Shares in the future, either on the open market or in private transactions, in each case, depending on a number of factors. The Reporters

may formulate other purposes, plans or proposals regarding the Company or any of its securities or may change its intention with respect to any and all matters. The Reporters, in consultation with the Company, may also propose or seek to effect certain corporate transactions involving the Company.

The Share Transfer was conducted in reliance on the “private agreement exemption” in section 4.2 of National Instrument 62-104 – Take-Over Bids and Issuer Bids (“NI 62-104”) and as a result was exempt from the take-over bid requirements in Part 2 of NI 62-104. The Common Shares purchased under the Share Transfer were purchased from not more than five sellers and at a price less than 115% of the market price of the Common Shares, in each case as calculated in accordance with NI 62-104.

This news release is issued pursuant to National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, which also requires a report to be filed with the applicable securities commissions or similar regulatory authorities in Canada, which report will contain additional information with respect to the foregoing matters (the “Early Warning Reports”). Copies of the Early Warning Reports will be filed on SEDAR under the Company’s profile at www.sedar.com, and may also be obtained by contacting Binyomin Posen at 416-869-1234.

On behalf of the Board,
Binyomin Posen
Director

For further information:
1319732 B.C. Ltd.
1000-595 Burrard Street
Vancouver, BC V7X 1S8

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Binyomin Posen

1319732 BC Ltd

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