



0755461 B.C. LTD. AND KLEEN HY-DRO-GEN INC. ENTER INTO LETTER AGREEMENT FOR REVERSE TAKE-OVER

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TORONTO, ONTARIO, CANADA, September 29, 2023 /EINPresswire.com/ -- 0755461 B.C. Ltd. ("Shellco") is pleased to announce that it has entered into a binding letter agreement with Kleen HY-DRO-GEN Inc. ("Kleen") pursuant to which Kleen will effect a reverse take-over of Shellco (following the Proposed Transaction, the "Resulting Issuer"), subject to the terms and conditions set forth therein (the "Proposed Transaction"). Kleen is a corporation existing under the laws of Ontario which is engaged in the provision of green and accessible residential heating solutions based upon mass hydrogen heating adoption strategies. The hydrogen based heating system allows the home owner a zero carbon foot print. The Proposed Transaction is expected to proceed by way of amalgamation, arrangement, share exchange, take-over bid or other similarly structured transaction whereby a subsidiary of Shellco and Kleen will amalgamate, the result of which will be that (i) each Class A common voting share of Kleen will be exchanged for one Class A common voting share of Shellco (a "Resulting Issuer Class A Share"); and (ii) each Class B common non-voting share of Kleen (including those issuable or issued pursuant to the Concurrent Financing described below) will be exchanged for one Class B common non-voting share of Shellco (a "Resulting Issuer Class B Share").

Immediately prior to the Proposed Transaction, Shellco will (i) complete a stock consolidation (the "Consolidation") in respect of its issued and outstanding common shares ("Shellco Shares"), on a basis that results in the number of post-Consolidation Shellco Shares being equal to (i) 4,000,000; plus (ii) in the event the price at which securities are issued in the Concurrent Financing is less than Cdn\$0.50, such additional number of Shellco Shares as shall entail an aggregate value of Cdn\$2,000,000 based on a deemed price per Shellco Share equal to the price of the securities issued in the Concurrent Financing; and (ii) file articles of amendment to amend its authorized capital to consist of an unlimited number of Resulting Issuer Class A Shares and Resulting Issuer B Class B Shares, and exchange all Shellco Shares for Resulting Issuer Class B Shares on a 1:1 basis.

As a condition to the completion of the Proposed Transaction, Kleen must complete a private placement offering (the "Concurrent Financing") of Class B common non-voting shares or

subscription receipts, for aggregate gross proceeds of not less than \$1,500,000 upon at a price to be determined by Kleen in the context of the market. Upon completion of the Proposed Transaction, Shellco will effect a name change and appoint a new the board of directors determined at the sole discretion of Kleen, and the Resulting Issuer will carry on the business of Kleen.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) completion of due diligence and the negotiation and execution of a definitive agreement; (ii) the receipt of all applicable shareholder approvals for the Proposed Transaction and related matters, to the extent as required by applicable law and policies of any applicable stock exchange; (iii) the receipt of all applicable third party approvals including the approval of the Exchange for the listing of the Resulting Issuer Class B Shares thereon; and (iv) the completion of the Concurrent Financing.

There can be no assurance that the Proposed Transaction will be completed on the terms proposed or at all.

Further Information

Shellco plans to issue additional press releases, including a comprehensive news release providing further details in respect of the Proposed Transaction, the definitive agreement, the officers, directors, and insiders of the Resulting Issuer, and other material information as it becomes available.

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requirements.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to all applicable shareholder and stock exchange approvals and execution of a definitive agreement. Where applicable, the Proposed Transaction cannot close until the required shareholder approvals are obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Kleen and Shellco should be considered highly speculative.

Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Kleen and Shellco with respect to the Proposed Transaction, future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes information regarding: expectations regarding whether the Proposed Transaction will be consummated, whether a definitive agreement can be completed, whether each party will complete due diligence to their satisfaction, whether third party approvals including stock exchange and shareholder approvals, as required, will be obtained, whether the Concurrent Financing will be completed, whether conditions to the consummation of the Proposed Transaction will be satisfied, or the timing for completing the Proposed Transaction and Concurrent Financing.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect management of the Company’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Kleen and Shellco believe that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the Proposed Transaction and/or Concurrent Financing; the ability to obtain requisite regulatory and other approvals and the satisfaction of other conditions to the consummation of the Proposed Transaction and/or Concurrent Financing on the proposed terms and schedule; the potential impact of the announcement or consummation of the Proposed Transaction and/or Concurrent Financing on

relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Proposed Transaction and/or Concurrent Financing. This forward-looking information may be affected by risks and uncertainties in the business of Kleen and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Kleen and Shellco have attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Kleen and Shellco do not intend, and do not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

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