RIO VERDE INDUSTRIES INC. ANNOUNCES COMPLETION OF SHARE REPURCHASE

VANCOUVER, BRITISH COLUMBIA , CANADA, February 9, 2024 /EINPresswire.com/ -- Rio Verde Industries Inc. (the “Company”) is pleased to announce that it has entered share repurchase agreements with 2657456 Ontario Inc. (“265”), Shimcity Inc. (“Shimcity”), and certain other shareholders (the “Transferors”) respectively dated February 8, 2024 (the “Share Purchase Agreements”) pursuant to which 26,118,478 common shares (the “Transferred Shares”) were repurchased by the Company from the Transferors for cancellation at an aggregate purchase price of $1 (the “Share Repurchase”).

Upon cancellation of the Transferred Shares, the Company’s number of issued and outstanding common shares is 6,586,571.

Related Party Participation in the Share Repurchase

As insiders of the Company participated in the Share Repurchase, 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 Share Repurchase 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)(e) respectively) as the Company is not listed on the markets specified in MI 61-101 and is exempt on the basis of financial hardship.

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

Early Warning Disclosure

Prior to the completion of the Share Repurchase, Shimcity held and beneficially owned, or exercised control or direction over 13,235,294 Common Shares, representing 40.47% of the issued and outstanding Common Shares on a non-diluted basis. Following the completion of the Share Repurchase, Shimcity holds and beneficially owns, or exercises control or direction over 1,481,979 Common Shares, representing 22.50% of the issued and outstanding Common Shares on a non-diluted basis.

Prior to the completion of the Share Repurchase, 265 held and beneficially owned, or exercised control or direction over 8,823,529 Common Shares, representing 26.98% of the issued and outstanding Common Shares on a non-diluted basis. Following the completion of the Share Repurchase, 265 holds and beneficially owns, or exercises control or direction over 987,986 Common Shares, representing 15% of the issued and outstanding Common Shares on a non-diluted basis.

The Company has been advised that Shimcity and 265 hold its Common Shares as part of a strategic investment in the Company. Shimcity and 265 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. Shimcity and 265 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. Shimcity and 265, in consultation with the Company, may also propose or seek to effect certain corporate transactions involving the Company.

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.sedarplus.ca, and may also be obtained by contacting Binyomin Posen at 416-869-1234.

On behalf of the Board,
Binyomin Posen
Director

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This news release may include forward-looking statements that are subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward looking. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements except as required under the applicable law.

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