

Magnolia Colombia Ltd. Announces Proposed Reverse Takeover Transaction

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TORONTO, Nov. 15, 2019 - [Magnolia Colombia Ltd.](#) ("Magnolia" or the "Corporation"; TSXV: MCO) is pleased to announce that it has entered into a binding letter of intent dated November 7, 2019 (the "Letter of Intent") with Lendified Holdings Inc. ("Lendified") to effect a business combination of the two companies (the "Proposed Transaction"). The Proposed Transaction will be an arm's length transaction and constitute a reverse takeover of the Corporation by Lendified and its shareholders.

Lendified is a private lending company located in Ontario, Canada, existing under the federal laws of Canada, and was incorporated on February 25, 2015. Lendified is a leading Canadian FinTech company operating both a lending platform providing working capital loans to small businesses across Canada through its subsidiary Lendified Inc., as well as a software as a service technology platform providing AI enabled credit origination and analytics to financial institutions across Canada through its subsidiary called JUDI.

The Transaction

It is currently anticipated that the Proposed Transaction will be effected by way of a three-cornered amalgamation, share exchange, merger, amalgamation, arrangement or other similar form of transaction as is acceptable to the parties.

There are currently an aggregate of 57,977,098 common shares in the capital of Magnolia (each, a "Magnolia Common Share") issued and outstanding, as well as 1,870,000 stock options, of which 1,670,000 stock options are exercisable to acquire one Magnolia Common Share at an exercise price of \$0.105 and 200,000 stock options are exercisable to acquire one Magnolia Common Share at an exercise price of \$0.10, and 25,000,000 warrants, of which 15,000,000 warrants are exercisable to acquire one Magnolia Common Share at an exercise price of \$0.15 and 10,000,000 warrants are exercisable to acquire one Magnolia Common Share at an exercise price of \$0.20. In connection with the Proposed Transaction, all outstanding stock options and warrants of Magnolia shall remain in effect until the earlier of (i) the date which is twelve months following the closing of the Proposed Transaction; and (ii) the original expiry date(s) thereof.

Pursuant to the Proposed Transaction, all existing shares, options, warrants or other securities convertible into Lendified Shares shall be exchanged, based on an exchange ratio to be determined among the parties, for similar securities to purchase Magnolia Common Shares on substantially similar terms and conditions.

On or immediately prior to the completion of the Proposed Transaction, it is anticipated that: (i) Magnolia will effect a name change to such name as may be determined by Lendified (the "Name Change"); and (ii) Magnolia will consolidate the outstanding Magnolia Common Shares (the "Consolidation").

If the Proposed Transaction is completed, it is anticipated that the board of directors of Magnolia shall be reconstituted to consist of such directors as Lendified shall determine provided that Magnolia shall be entitled to nominate such number of directors equal to its pro rata interest in the resulting issuer, subject to the minimum residency requirements of the *Business Corporations Act* (Ontario), and all existing officers of Magnolia shall resign and be replaced with officers appointed by the new board of directors.

Lendified will complete a financing of aggregate gross proceeds of not less than \$4,000,000 through one or more Canadian investment dealers in connection with the Proposed Transaction prior to closing (the

“Concurrent Financing”).

The Proposed Transaction may require sponsorship and Magnolia plans to provide a news release update should a sponsor be retained. Trading in the Magnolia Common Shares are already halted. Magnolia expects that trading in the Magnolia Common Shares will remain halted pending closing of the Proposed Transaction, subject to the earlier re-commencement of trading only upon Exchange approval and the filing of required materials with the Exchange as contemplated by Exchange policies.

The obligations of Magnolia and Lendified pursuant to the Letter of Intent shall terminate in certain specified circumstances, including in the event that the Proposed Transaction is not completed by January 31, 2020.

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to, satisfactory diligence review by each party, Exchange acceptance, shareholder approval and completion of the Concurrent Financing. The Proposed Transaction cannot close until the required shareholder approval is 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. A comprehensive press release with further particulars relating to the Proposed Transaction will follow in accordance with the policies of the Exchange.

FORWARD LOOKING STATEMENTS

This press release contains certain forward-looking statements, including but not limited to statements about the Corporation’s future plans and intentions, the completion of the Proposed Transaction, the proposed structure of the Proposed Transaction, the completion of the Name Change and Consolidation, the board of directors of Magnolia following completion of the Proposed Transaction, the completion of the Concurrent Financing and the approximate ownership of the resulting issuer by the former shareholder of Magnolia. Wherever possible, words such as “may”, “will”, “should”, “could”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict”, or “potential”, or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management’s current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Corporation cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

For further information please contact:

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