

# Good2GoRTO Corp. Enters into Letter of Intent for Qualifying Transaction with FRX Polymers Inc.

03.08.2021 | [Newsfile](#)

Toronto, August 3, 2021 - [Good2GoRTO Corp.](#) (TSXV: GRTO.P) (the "Corporation") and FRX Polymers Inc. ("FRX") are pleased to announce they have entered into a non-binding letter of intent (the "LOI") dated August 3, 2021, which outlines the general terms and conditions of a proposed business combination, by way of an amalgamation, arrangement, takeover bid or other similar form of transaction, which will result in FRX (or a successor corporation, as the case may be) becoming a wholly-owned subsidiary of the Corporation or otherwise combining its corporate existence with that of the Corporation at the applicable time (the "Transaction"). The Corporation, after completion of the Transaction, is referred to as the "Resulting Issuer".

The Corporation is a "capital pool company" which completed its initial public offering on May 17, 2021. The common shares of the Corporation ("G2GRTO Shares") are listed for trading on the TSX Venture Exchange Inc. ("TSXV") under the stock symbol GRTO.P. The Corporation has not commenced commercial operations and has no assets other than cash. It is intended that the Transaction, when completed, will constitute the "Qualifying Transaction" of the Corporation pursuant to Policy 2.4 - Capital Pool Companies (the "CPC Policy") of the TSXV.

## Terms of the Transaction

Pursuant to the terms and conditions of the LOI, the Corporation and FRX will negotiate and enter into a definitive agreement (the "Definitive Agreement") incorporating the principal terms of the Transaction as described in the LOI and this press release. There is no assurance that a Definitive Agreement will be successfully negotiated or entered into.

The LOI was negotiated at arm's length. The terms and conditions outlined in the LOI are expected to be superseded by the Definitive Agreement. Pursuant to the Transaction, all of the issued and outstanding common shares of FRX ("FRX Shares") will be exchanged for Post Consolidated G2GRTO Shares (as defined below) at an exchange ratio to be set out in the Definitive Agreement. Upon completion of the Transaction and excluding the Resulting Issuer Shares issued pursuant to the Concurrent Financing (as defined below), it is anticipated that FRX shareholders will own approximately 97.9% of the issued and outstanding Resulting Issuer Shares, and the Corporation's shareholders will own approximately 2.1% of the issued and outstanding Resulting Issuer Shares. It is intended that any outstanding stock options and warrants of FRX and the Corporation will be exercisable for comparable securities of the Resulting Issuer on the same economic terms.

The Corporation currently has (i) 5,800,000 issued and outstanding G2GRTO Shares, (ii) stock options to purchase 580,000 G2GRTO Shares and (iii) broker warrants to purchase 200,000 G2GRTO Shares. Prior to the closing of the Transaction (the "Closing"), it is expected that the Corporation will consolidate the G2GRTO Shares (the "Consolidation") at a ratio to be set out in the Definitive Agreement. ("Post Consolidated G2GRTO Shares").

## Concurrent Financing

The parties currently contemplate that FRX or an affiliate will also complete a brokered private placement of securities, which may include convertible debentures, subscription receipts or other convertible securities, which are currently being negotiated (the "Concurrent Financing"). The price and terms, including aggregate amount, of the Concurrent Financing are currently being negotiated between the parties. It is intended that the Concurrent Financing would close prior to the Closing. Further disclosure will be provided upon the

successful negotiation. There is no assurance that such negotiations will be concluded successfully.

#### Finder's Fee

The Corporation will enter into a finder's fee agreement whereby one or more persons will be paid a finder's fee on Closing which will be satisfied by way of issuance of units (the "Units") of the Resulting Issuer in an aggregate amount equal to 0.9% of the total common shares to be issued to the shareholders of FRX by the Resulting Issuer but not including the common shares to be issued pursuant to the Concurrent Financing (the "Finders Fee"). Each unit shall be comprised of one common share of the Resulting Issuer and one half of one common share purchase warrant ("Warrant") of the Resulting Issuer. Each full Warrant will entitle the holder to subscribe for one (1) common share of the Resulting Issuer at a price equal to a 15% premium to the subscription price under the Concurrent Financing for a period of two (2) years following Closing.

#### About FRX

FRX, incorporated in Delaware, USA on December 27, 2006, is a disruptive growth company utilizing its leading-edge green technology to manufacture flame retardant solutions that back a deep commitment to sustainability and the environment. FRX has developed Nofia®, a patented technology for the cost-effective production of high-performance low environmental impact, halogen-free, non-leaching fire retardant additives used in textiles, automotive interiors, consumer electronics and next generation recyclable plastic.

Currently the only green technology producer of halogen-free (non-toxic) and polymeric (non-leaching) flame retardant, with "United States Environmental Protection Agency", "Clean-Tech Group", "Belgian Business for the Environment", ESG awards and "Oekoteks, Green Screen" and "ISO 9001", accreditations, sold under the trade name, Nofia®.

The Company has also been awarded a "Top 100 Company by Global GreenTech" multiple times, and is a winner of the "Going Green Global" award among other coveted environmental recognitions.

The Green-Tech accreditation addresses evolving regulatory-driven phase-out of legacy products, which represents a growth opportunity for FRX products within the estimated US\$30+ billion annual flame retarded plastics and additive market with AAGR of 7%. With over 200 patents, FRX has built and operates a full scale, state-of-the-art production plant in Antwerp, Belgium, which serves, FRX's growing list of Tier 1, blue chip multi-national corporate customers.

For more information on FRX, visit <https://www.frxpolymers.com>.

#### Operations of the Resulting Issuer

As a result of the Transaction, the Resulting Issuer will indirectly carry on the business of FRX and will change the Resulting Issuer's name to "FRX Inc." or such other name as determined by FRX and as may be accepted by the TSXV and any other relevant regulatory authorities.

It is intended that the Resulting Issuer will continue FRX's business in the flame-retardant product industry and be listed on the TSXV as a Tier 1 Industrial Issuer, subject to TSXV approval.

#### Management of the Resulting Issuer

If the Transaction is completed, at the Closing, the current directors of the Corporation will resign and be replaced by the nominees of FRX and the Corporation in accordance with corporate law and with the approval of the TSXV. It is expected that the board of directors of the Resulting Issuer on Closing will be comprised of up to seven suitable nominees with one director nominated by the Corporation, with the consent of FRX (acting reasonably) and the remaining six directors nominated by FRX.

#### Conditions Precedent

Completion of the Transaction is subject to a number of conditions, including but not limited to:

- satisfactory completion of due diligence;
- execution of the Definitive Agreement;
- completion of the Concurrent Financing;
- receipt of annual and interim financial statements from both the Corporation and FRX;
- evidence to the satisfaction of the Corporation that the only debt owed by FRX will not exceed US\$12,500,000, calculated immediately before Closing;
- evidence to the satisfaction of the Corporation that all convertible securities and debt of FRX will have been converted by or automatically convert on Closing;
- evidence to the satisfaction of the Corporation that substantially all shareholders of FRX have pledged all of their shares in the Resulting Issuer in a lock-up and leak-out agreement;
- receipt of all director, shareholder (if necessary) and requisite regulatory approvals, including the acceptance of the TSXV;
- confirmation that no adverse material change in the business, affairs, financial condition or operations of the Corporation or FRX has occurred;
- implementation by the Corporation of an incentive stock option plan that is compliant with the rules of the TSXV that provides for the issuance of up to 10% of the issued and outstanding shares of the Resulting Issuer; and
- material compliance by both the Corporation and FRX with the LOI, except as superseded by the Definitive Agreement.

#### About the Corporation

The Corporation's principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Investors are cautioned that trading in the securities of a capital pool company should be considered highly speculative.

#### Meeting of the Corporation's Shareholders

The Transaction will be carried out by parties dealing at arm's length to one another and therefore will not be considered a "Non-Arm's Length Qualifying Transaction" as such term is defined in the CPC Policy. The related parties of the Corporation do not own any interests in FRX. As a result, a special meeting of the shareholders of the Corporation is not required by the TSXV to approve the Transaction. However, in accordance with the provisions of the Canada Business Corporations Act, it is intended by the parties that the Corporation will call a meeting of the Corporation's shareholders to seek shareholder approval for certain corporate matters including the Consolidation and adoption of the incentive stock option plan.

#### Sponsorship

The Corporation intends to make an application for exemption from the sponsorship requirements of the TSXV in connection with the Transaction; however, there is no assurance that the TSXV will exempt the Corporation from all or part of the applicable sponsorship requirements.

#### Trading Halt

Trading in the G2GRTO Shares has been halted and is not expected to resume trading until completion of the Transaction or until the TSXV receives the requisite documentation to resume trading.

#### Further Information

The Corporation will provide further details in respect of the Transaction in due course by way of press release in accordance with the requirements of the CPC Policy. However, the Corporation will make available to the TSXV all information, including financial information, as required by the TSXV and will provide, in a press release to be disseminated at a later date, required additional disclosure.

All information contained in this press release with respect to the Corporation and FRX was supplied by the respective party for inclusion herein, without independent review by the other party, and each party and its directors and officers have relied on the other party for any information concerning the other party.

Completion of the Transaction is subject to a number of conditions, including but not limited to, acceptance of the TSXV and if applicable pursuant to the requirements of the TSXV, majority of the minority approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the 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 Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

For further information:

[Good2GoRTO Corp.](#)

James Cassina, President & Chief Executive Officer  
Email: [cassina@bellnet.ca](mailto:cassina@bellnet.ca)

FRX Polymers Inc.

Marc-Andre Lebel, President & Chief Executive Officer  
Email: [mlebel@frxpolymers.com](mailto:mlebel@frxpolymers.com)

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

#### Notice on Forward-Looking Information

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "will", "estimates", "believes", "intends", "expects" and similar expressions which are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward-looking statements concerning the Transaction, the Consolidation, the Concurrent Financing, the expected composition of the board of directors of the Resulting Issuer, the completion and timing of the application to the TSXV in respect of the Transaction, the proposed structure by which the Transaction is to be completed, the ability of the Corporation and FRX to meet the conditions of the Transaction in the required timeframes, obtaining the necessary exemptions and approvals from the TSXV or other regulatory bodies, including the business, name and function of the Resulting Issuer and certain financial information and forecasts. The Corporation cautions that all forward-looking statements are inherently uncertain, and that actual performance may be affected by a number of material factors, assumptions and expectations, many of which are beyond the control of the Corporation and FRX, including expectations and assumptions concerning the Corporation, FRX, the Resulting Issuer, the Transaction, the negotiation of the Definitive Agreement on satisfactory terms, the timely receipt of all required shareholder, court and regulatory approvals (as applicable), including the acceptance of the TSXV, the satisfaction of other closing conditions in accordance with the terms of the Definitive Agreement, as well as other risks and

uncertainties, including those described in the Corporation's final prospectus dated April 7, 2021 filed with the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission and available on SEDAR at [www.sedar.com](http://www.sedar.com). The reader is cautioned that assumptions used in the preparation of any forward-looking statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Corporation. The reader is cautioned not to place undue reliance on any forward-looking statements. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

The forward-looking statements contained in this press release are made as of the date of this press release, and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/390566--Good2GoRTO-Corp.-Enters-into-Letter-of-Intent-for-Qualifying-Transaction-with-FRX-Polymers-Inc.html>

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