Viridium and EFX Laboratories Enter Into Amalgamation Agreement

written by Raj Shah | January 8, 2019

January 7, 2019 (Source) – Viridium Pacific Group Ltd. ("**Viridium**") (TSXV: VIR) (OTCPink: VIRFF) is pleased to announce it has entered into an amalgamation agreement (the "**Amalgamation Agreement**") with EFX Laboratories Inc. ("**EFX**") relating to the acquisition by Viridium of all the issued and outstanding class A voting shares in the capital of EFX (the "**EFX Shares**") by way of an amalgamation of EFX and 2163903 Alberta Ltd., a wholly-owned subsidiary of Viridium, in accordance with the Business Corporations Act (Alberta) (the "**Amalgamation**").

EFX is a Canadian biotech company located in Calgary focused on medical cannabis applications and treatments. EFX has developed several proprietary formulations for pain control, as well as a suite of value-added wellness products. Key products of EFX include a proprietary two piece pill for post-operative pain control actively being prepared for a phase III clinical trial and over 50 market tested formulas and products ranging from creams, tinctures, sprays and oils.

"The EFX acquisition positions Viridium to take advantage of the evolving cannabis industry," states Jay Garnett CEO of Viridium, "by creating a well-capitalized, vertically integrated company supplying advanced products in both the medical and wellness market".

Strategic Rationale

The Amalgamation is consistent with Viridium's stated goal of producing a strong portfolio of cannabis brands and products for the Canadian medical, wellness, and export markets and Viridium believes the financial and strategic benefits of the Amalgamation are uniquely compelling to shareholders of both Viridium and EFX. Both Viridium and EFX believe the Amalgamation provides a strong go-forward strategy that will create a long term sustainable growth company focused on the "3rd wave" of investment which includes cannabis biotech applications in the retail consumer product market.

The Amalgamation is expected to accelerate the completion of Viridium's and EFX's business initiatives in the next 24 to 36 months. On completion of the Amalgamation, the combined company will be fully-funded to execute its business initiatives with a strong balance sheet with more than $10 million cash on hand. Viridium, as combined with EFX, will be vertically integrated from seed to value added product, and is expected to have all of the Health Canada licences it requires to execute its business strategy.

The Amalgamation

Pursuant to the Amalgamation Agreement, Viridium will acquire all of the issued and outstanding EFX Shares by the issuance of common shares in the capital of Viridium (the "**Viridium Shares**"), which will be issued on the basis of one Viridium Share for every 2.57 EFX Shares.

Upon completion of the Amalgamation, it is anticipated that the current holders of EFX Shares will hold approximately 48,172,257 Viridium Shares, representing approximately 49.41% of the outstanding Viridium Shares and the current holders of Viridium Shares will hold 49,320,375 Viridium Shares, representing

approximately 50.59% of the outstanding Viridium Shares. No new control person will be created as a result of the Amalgamation.

The Amalgamation is expected to constitute an arm's length "reviewable transaction" as that term is defined by the TSX Venture Exchange (the "**Exchange**").

Significant Conditions to Closing

The completion of the Amalgamation is subject to the satisfaction of a number of conditions, including but not limited to, Exchange acceptance and EFX shareholder approval. As the Amalgamation is a three-cornered amalgamation, Viridium shareholder approval will not be required and, subject to receipt of all required approvals, the Amalgamation is expected to close in February 2019.

After the Amalgamation

Upon completion of the Amalgamation, Viridium's board of directors will be comprised of five existing Viridium directors and two existing EFX directors. Viridium's management team will remain unchanged and be comprised of Jay Garnett (President and Chief Executive Officer) and Jarrett Malnarick (Senior Vice President and Chief Operating Officer).

Animus Capital Partners Inc. ("**Animus**") acted as exclusive financial advisor to Viridium in respect of the Amalgamation. Animus is a global financial advisory and merchant banking firm based in Calgary, Alberta. Animus is focused on investing, advising and partnering with leading companies in select industries.

Trading Halt and Previously Announced Private Placement

Trading of the Viridium Shares on the Exchange has been halted pending receipt and review of the applicable documentation by

the Exchange. In addition, Viridium has withdrawn its proposed private placement financing announced on October 14, 2018.

About Viridium

Viridium is a consumer wellness and biotech innovation company based in British Columbia, and the parent company of Experion Biotechnologies Inc. ("**Experion**"), a Health Canada licensed producer of cannabis, which operates in an 8,300 square-foot indoor facility outside of Mission, British Columbia. Experion currently has its cultivation and sales licence and has applied for its oil sales licence.

Reader Advisory

The completion of the Amalgamation is subject to a number of conditions, including but not limited to, Exchange acceptance and approval of the Amalgamation by EFX shareholders. There can be no assurance that the Amalgamation will be completed as proposed or at all.

Investors are cautioned that any information released or received with respect to the Amalgamation may not be accurate or complete and should not be relied upon.

The Exchange has in no way passed upon the merits of the Amalgamation and has neither approved nor disapproved of the contents of this news release.

Neither the Exchange nor its regulation services provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Forward Looking Statements

This news release contains forward-looking statements and

forward-looking information within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this news release contains forward-looking statements concerning Viridium's stated business goals, the strategic rationale for and the expected benefits of the Amalgamation, the terms of the Amalgamation, the completion of the Amalgamation and the timing thereof, the proposed directors and officers of Viridium post-Amalgamation, the capitalization of Viridium post-Amalgamation and Viridium's business upon completion of the Amalgamation. The forward-looking statements are based on certain key expectations and assumptions made by Viridium, including, among other things, the satisfaction of all closing conditions in all material respects and on a timely basis in accordance with the terms of the Amalgamation Agreement and the success of Viridium's and EFX's operations as a combined entity. Although Viridium believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Viridium can give no assurance that they will prove to be correct. By their nature, forward-looking statements are subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to, the failure to complete the Amalgamation in all material respects in accordance with the Amalgamation Agreement or at all, unforeseen delays in completing the Amalgamation, and unforeseen difficulties or delays in integrating the assets of EFX into Viridium's operations. Readers are cautioned not to place undue reliance on

the forward-looking statements, which are given as of the date hereof, and to not use such forward-looking statements for anything other than their intended purpose. Viridium undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

More information about Viridium can be found under the Company's profile on SEDAR at www.sedar.com.

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Disclosure

This press release contains forward-looking information within the meaning of Canadian securities laws. Although the Company believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct.

Forward looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, forecast, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking information provided by the Company are not guarantees of future results or

performance, and that actual results may differ materially from those in forward looking information as a result of various factors, including, but not limited to: the state of the financial markets for the Company's equity securities; recent market volatility; the Company's ability to raise the necessary capital or to be fully able to implement its business strategies; the risks identified in the Filing Statement, and other risks and factors that the Company is unaware of at this time. The reader is referred to the Filing Statement dated September 25, 2017 and/or the most recent annual and interim Management's Discussion and Analysis for a more complete discussion of such risk factors and their potential effects, copies of which may be accessed through the Company page on SEDAR at www.sedar.com.