

Imex Enters Into Letter of Intent with NxGen Communications for a Reverse Take-Over



April 26, 2019 (Source) – Imex Systems Inc. (“**Imex**” or the “**Company**”) (TSX VENTURE: IMEX; OTC: IMSYF), is pleased to announce that on April 24, 2019, the Company entered into a non-binding letter of intent (the “**Letter of Intent**”)

with NxGen Communications Corp, an Ontario Corporation (“**NxGen**”) pursuant to which the Company will combine its business operations with NxGen (the “**Transaction**”). NxGen was incorporated July 26, 2016. Pursuant to the Letter of Intent, the Transactions will result in a reverse take-over of the Company by NxGen and the listing for trading of the shares of the resulting issuer (the “**Resulting Issuer**”) on the TSX Venture Exchange. The Transaction is anticipated to close on or before July 31, 2019.

Transaction

The Transaction will result in NxGen becoming a wholly-owned subsidiary of the Company or otherwise combining its corporate existence with a wholly-owned subsidiary of the Company. The Transaction is an arm’s length transaction. NxGen is a reseller of Imex services, which Imex announced in a press release on November 15, 2018.

Upon the signing of the Letter of Intent, NxGen will provide Imex with a six (6) month CDN \$150,000 secured loan with a General Security Agreement against all of the assets of Imex. IMEX will not be paying any bonuses or commissions for the

loan from NxGen. The loan will be used for legal, audit and general corporate purposes. In addition, NxGen will provide IMEX with an additional CDN \$50,000 towards transaction closing costs. This is a material agreement and subject to TSX.V approval.

In conjunction with the Transaction, NxGen will complete a brokered private placement (the "**Private Placement**") of securities (the "**Offered Securities**") at price per Offered Security of \$0.25. The Private Placement shall be for minimum gross proceeds of \$2,500,000 and maximum gross proceeds of \$5,000,000 or such other amount as the Company and NxGen may agree.

Prior to the closing of the Private Placement (as defined below) and the Transaction, the Company will complete a consolidation (the "**Consolidation**") of its common shares on the basis of 2.5 to 3 pre-consolidated common shares for 1 post-consolidated common shares, as adjusted such that the shareholders of the Company will hold no more than 24% of the common shares of the Resulting Issuer on closing of the Transaction.

Pursuant to the Transaction, approximately 34,000,000 post-consolidated common shares of the Company, or as adjusted such that the owners of NxGen will own at least 52% of the Resulting Issuer on the closing of the Transaction, will be issued to the shareholders of NxGen in exchange for all of the issued and outstanding common shares of NxGen based on a valuation acceptable to the parties.

On closing of the Transaction, it is expected that: (a) the current holders of the Company securities will own, and have the right to acquire upon exercise of warrants and options, common shares representing approximately 24% of fully diluted common shares of the Resulting Issuer; (b) the former owners of NxGen will own common shares representing approximately 52% of fully diluted common shares of the Resulting Issuer; and

(c) purchasers of Offered Securities issued in the Private Placement will own approximately 24% of the fully diluted common shares of the Resulting Issuer.

Prior to the closing of the transaction, Imex and NxGen will work together on settlement arrangement with all the existing creditors of Imex.

It is intended that the board of directors of the Resulting issuer immediately following the closing of the Transaction shall consist of six (6) directors, two (2) Imex directors, two (2) NxGen directors and two (2) independent directors.

The Completion of the Transaction is contingent on a number of conditions precedent including receipt of all requisite corporate, shareholder and regulatory approvals, completion of the Private Placement, the Consolidation and the execution of a definitive agreement between the parties. Further details relating to the Transaction will be announced upon execution of the definitive agreement.

Disclosure

The completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder 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 Imex should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and neither approved nor

disapproved the contents of this news release.

About NxGen

NxGen Communications provides efficient and cost-effective bandwidth optimization and connectivity products and services, helping to solve the imminent issues regarding bandwidth inefficiency and the worldwide issues of bandwidth scarcity. NxGen Communications is a private Canadian corporation that is deploying local data center infrastructure to address SMART, city, town, county initiatives globally and is actively establishing a corporate presence in each market through partnerships with local ISPs and bandwidth providers.

About Imex Systems

Imex Systems Inc. is a Canadian software products and solution provider to Governments, Municipalities and Public Authorities in Canada and internationally. Imex primarily focuses on EGovernment and the Smart Cities market that also include the integration to payment processing. The company helps public sector entities to provide “Any Time, Any Where, Any Device and Any Channel” convenience for citizens to access government services and help with digital transformation of government operations and streamline revenue. Imex’s various product and service offerings include: i-Gov – a Digital Government Platform for all levels of governments, which provides all the pre-built components for building an effective Digital Government and supporting payment processing through multiple channels; iCity – a Smart City Solution; and miGov – a Mobile Government Framework.

Forward-Looking Statements

This news release contains certain “forward-looking information” within the meaning of applicable Canadian securities laws. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as

“expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time it was made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information in this news release include, but are not limited to, statements with respect to: increased sales from existing customers and new customers. Forward-looking information necessarily involve known and unknown risks, including, without limitation : the need for approvals from the relevant government body; future capital needs and uncertainty of additional financing; the competitive nature of the industry; the effects of product development and need for continued technology change; and those risks set out in the Company’s public documents filed on www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

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