Alegro Health Corp.

Aug 28, 2002 14:42 ET

Alegro Health Corp. Announces Proposed Acquisition of Work Able Centres Inc. as Qualifying Transaction

NEWS RELEASE TRANSMITTED BY CCNMatthews

FOR: ALEGRO HEALTH CORP.

TSX VENTURE SYMBOL: AGO

AUGUST 28, 2002 - 14:42 EDT

Alegro Health Corp. Announces Proposed Acquisition of Work Able Centres Inc. as Qualifying Transaction

TORONTO, ONTARIO--Alegro Health Corp. ("Alegro" or the "Corporation"), a capital pool company, is pleased to announce that it has entered into an agreement as of August 27, 2002 (the "Agreement") for the acquisition (the "Proposed Qualifying Transaction") of Work Able Centres Inc. ("Work Able"), a private disability management services company incorporated in 1993 under the laws of Ontario based in Toronto, Ontario. Pursuant to the terms of the Agreement, subject to completion of satisfactory due diligence and receipt of all applicable regulatory and shareholder approvals, Alegro intends to acquire all of the currently issued and outstanding common shares of Work Able (the "Work Able Shares") in exchange for the issuance of an aggregate of 11,750,000 common shares of Alegro ("Alegro Shares"). In addition, 2,050,000 Alegro Shares are proposed for issuance in satisfaction of indebtedness of Work Able in the aggregate amount of $410,000. The Alegro Shares being issued in exchange for the Work Able Shares and in satisfaction of the outstanding indebtedness will be issued at a deemed price of $0.20 per Alegro Share, resulting in a deemed acquisition price of $2,760,000.

The Corporation intends to make this proposed acquisition of Work Able its "Qualifying Transaction" as defined under Policy 2.4 of the TSX Venture Exchange ("TSX Venture").

On May 8, 2002, Alegro completed its initial public offering of 1,833,333 Alegro Shares at a price of $0.15 per share for aggregate gross proceeds to Alegro of $275,000. The Alegro Shares are expected to commence trading on the TSX Venture under the symbol "AGO" by Wednesday September 4, 2002, as a capital pool company. Alegro is required to conclude a Qualifying Transaction within 18 months of its initial listing on the TSX Venture and Alegro has proposed the acquisition of Work Able for this purpose.

Work Able is engaged in disability management services and provides specialized services to individuals disabled as a result of work related or motor vehicle injuries as well as those suffering from short or long term disabilities which affect their ability to function in their jobs.

The following is a summary of unaudited financial information for Work Able for and at the year ended May 31, 2001:

/T/

Total Assets	$3,098,567
Total Liabilities	$2,956,453
Working Capital	$390,196
Total Revenues	$5,775,426
Total Expenses	$5,486,252
EBITDA	$774,994
Net Income	$260,638

/T/

Following completion of the acquisition, Alegro will continue to carry on the business of Work Able. The directors of Alegro following the consummation of the proposed acquisition will be Brenda Rasmussen, W. John Wright and Donald O. Wood, all of Toronto, Ontario. Brenda Rasmussen will continue to serve as the President, Chief Executive Officer and Chief Financial Officer of Alegro following completion of the acquisition.

The proposed acquisition of all of the common shares of Work Able is non-arm's length as Brenda Rasmussen, a director, officer and principal shareholder of Alegro is also a director, officer and indirect shareholder of Work Able through Brenras Holdings Inc. ("Brenras"), an Alberta corporation. Accordingly, Brenras will be an insider of Alegro following the acquisition as it is controlled by Brenda Rasmussen.

On or before the closing of the Proposed Qualifying Transaction and as a condition thereof, Alegro intends to complete a prospectus offering of at least 4,000,000 Alegro Shares for gross proceeds of not less than $800,000 (the "Financing"), pursuant to applicable securities laws in Ontario, Alberta, British Columbia and Saskatchewan. The net proceeds from this Financing will be used for general working capital purposes.

The completion of the Proposed Qualifying Transaction is subject to a number of conditions including, without limitation: (i) the conditional approval of the TSX Venture for the listing of the Alegro Shares thereon; (ii) the completion of the Financing; (iii) each of Alegro and Work Able being satisfied in their sole discretion with their due diligence review of the other; (iv) the shareholders of Work Able having approved the acquisition and having agreed to exchange their Work Able Shares for Alegro Shares; (v) obtaining all necessary regulatory approvals including the qualification of the acquisition as Alegro's "Qualifying Transaction"; (vi) approval of the acquisition of Work Able and the issuance of the Alegro Shares in connection with the Proposed Qualifying Transaction by the majority of the minority shareholders of Alegro in accordance with Policy 2.4 of the TSX Venture; and (vii) the issuance of 1,000,000 Alegro Shares to Brenda Rasmussen and 1,100,000 Alegro Shares to Real World Simulation Inc. ("Real World") in satisfaction of debts owing to Brenda Rasmussan and Real World in the amounts of $200,000 and

$220,000 respectively.

The authorized capital of Alegro consists of an unlimited number of common shares, of which 3,166,667 Alegro Shares are currently issued and outstanding. Assuming completion of the transactions described herein (including the offering of 4,000,000 Alegro Shares pursuant to a prospectus offering and 2,100,000 Alegro Shares pursuant to the shares for debt exchanges), 21,016,667 common shares of Alegro will be outstanding.

Alegro also has outstanding options to purchase an aggregate of 316,666 common shares held by current officers and directors and an option to purchase 183,333 common shares held by Leede Financial Markets Inc. ("Leede"). Assuming completion of the Financing, Leede will have an additional option to purchase 10% of the number of Alegro Shares sold pursuant thereto at the price of the Alegro Shares sold in the Financing for a period of 24 months from the closing of the Financing.

Leede Financial Markets Inc., subject to satisfactory due diligence, has agreed to act as sponsor in connection with the transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.

Completion of the transaction is subject to a number of conditions, including but not limited to, acceptance by the TSX Venture and majority of the minority shareholder approval. 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 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 TSX Venture has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved of the contents of this press release.

-30-

For more information, please contact

FOR FURTHER INFORMATION PLEASE CONTACT:

Work Able or Alegro

Brenda Rasmussen

(416) 496-6166

(Not for dissemination in the United States of America)