

SHELLRON CAPITAL LTD.

SHELLRON ANNOUNCES PROPOSED QUALIFYING TRANSACTION WITH SPX MANAGEMENT LTD.

*Not for distribution to United States newswire services or
for dissemination in the United States*

April 17, 2025

**TSX Venture Exchange
Trading Symbol: SHLL.P**

Vancouver, British Columbia, **Shellron Capital Ltd.** (“**Shellron**”), a capital pool company pursuant to Policy 2.4 of the TSX Venture Exchange (the “**TSX-V**”), is pleased to announce that it has entered into a binding letter of intent dated April 11, 2025 with SPX Management Ltd. (“**SPX**”), in respect of an arm’s length reverse take-over transaction which is expected to result in securityholders of SPX acquiring a majority of the voting securities of the entity resulting from such transaction (the “**Resulting Issuer**”) and constitute the “Qualifying Transaction” (as such term is defined in policies of the TSX-V) of Shellron (the “**Proposed Transaction**”).

The completion of the Proposed Transaction is subject to the satisfaction of certain conditions, including but not limited to: (i) the parties entering into a definitive agreement with respect to the Proposed Transaction (such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature), (ii) the completion of satisfactory due diligence investigations, (iii) the proposed board of directors and management of the Resulting Issuer being acceptable to the TSX-V; (iv) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the TSX-V; and (v) certain other conditions as may be agreed between the parties.

Subject to satisfaction or waiver of all conditions precedents to the Proposed Transaction, Shellron and SPX anticipate that the Proposed Transaction will be completed no later than September 30, 2025. There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.

Trading in the common shares of Shellron (the “**Shellron Shares**”) is currently halted in accordance with the policies of the TSX-V and will remain halted until such time as all required documentation in connection with the Proposed Transaction has been filed with and accepted by the TSX-V and permission to resume trading has been obtained from the Exchange. SPX and Shellron expect to enter into definitive agreements with respect to the Proposed Transaction as soon as practicable subject to the receipt of tax, corporate and securities law advice.

Transaction Summary

Pursuant to the Transaction, Shellron will issue an aggregate of ten (10) common shares in the capital of Shellron (“**Shellron Shares**”) for each common share in the capital of SPX (“**SPX Shares**”) held, each at a deemed value of \$0.20 per Shellron Share (the “**Exchange Ratio**”), including any SPX Shares issued pursuant to the Concurrent Financing (as defined below). All dollar figures referenced herein, unless otherwise specified, refer to Canadian dollars.

The existing shareholders of SPX are expected to own a majority of the outstanding Shellron Shares after completion of the Proposed Transaction and Shellron will be renamed to such name as mutually agreed to by Shellron and SPX. The final structure of the Proposed

Transaction is subject to the receipt of tax, corporate and securities law advice by both Shelltron and SPX.

The Proposed Transaction is not a Non-Arm's Length Qualifying Transaction (as such term is defined in TSXV Policy 2.4) and it is not currently contemplated that approval by Shelltron's shareholders will be required or sought for the Proposed Transaction or that a shareholders' meeting will be required for the Proposed Transaction. No advances to be made by the Shelltron are contemplated and no finder's fees are payable in connection with the Proposed Transaction. Upon the completion of the Proposed Transaction, it is expected that SPX will become a wholly-owned subsidiary of the Resulting Issuer.

Shelltron currently has 8,539,000 Shelltron Shares issued and outstanding, as well as 625,000 stock options to acquire Shelltron Shares, each exercisable at \$0.10 per share.

Further details concerning the Proposed Transaction (including additional financial information) and other matters will be announced if and when a definitive agreement is reached and will be contained in the disclosure document to be prepared and filed with the TSXV and on SEDAR+ in connection with the Proposed Transaction. Investors are cautioned that, except as disclosed in such disclosure document, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

Private Placement

In connection with the Proposed Transaction a concurrent commercially reasonable efforts brokered private placement to raise between \$5,500,000 and \$10,000,000 in aggregate gross proceeds (the "**Concurrent Financing**") will be completed. The Concurrent Financing will be led by Hampton Securities Limited. (the "**Agent**") as sole lead agent.

The Concurrent Financing will consist of a minimum of 2,500,000 subscription receipts (each a "**Subscription Receipt**") or SPX Shares, and any combination thereof, at a price of \$0.20 per Subscription Receipt or \$2.00 per SPX Share, as the case may be.

In addition, the parties have granted the Agent an option to acquire up to an additional number of Subscription Receipts or SPX Shares for gross proceeds of up to 15% of the gross proceeds of the Concurrent Financing at any time up to two (2) days prior to the final closing of the Concurrent Financing.

Each Subscription Receipt will entitle the holder, without payment of any additional consideration and upon satisfaction of Escrow Release Conditions (defined below), to receive one unit of the Resulting Issuer (a "**Unit**"). Each Unit is comprised of one Shelltron Share (a "**Resulting Issuer Share**") and one-half common share purchase warrant (each whole warrant, a "**Resulting Issuer Warrant**"). Each Resulting Issuer Warrant will the holder to acquire a Resulting Issuer Share at an exercise price of \$0.30 per Resulting Issuer Share for 36 months after the date the Escrow Release Conditions are satisfied. The expiry date of the Resulting Issuer Warrants may be accelerated by the Resulting Issuer at any time following the four (4) month anniversary of the date the Escrow Release Conditions are satisfied and prior to the expiry date of the Resulting Issuer Warrants if the volume weighted average price of the Resulting Issuer Shares on the TSXV is greater than \$0.60 for any 30 consecutive trading days (the "**Acceleration Event**"), at which time the Resulting Issuer may, within five (5) business days of the Acceleration Event, accelerate the expiry date of the Resulting Issuer Warrants by issuing a press release announcing the reduced warrant term whereupon the Resulting Issuer Warrants will expire on the 30th calendar day after the date of such press release.

The net proceeds of the Concurrent Financing will be used for the development of the Resulting Issuer's business, working capital requirements and general corporate purposes.

The aggregate gross proceeds of the Subscription Receipts, less 50% of the Cash Commission (as defined below) attributable to the Subscription Receipts, the reasonable costs and expenses of any agent engaged and \$100,000 to be utilized by Shellron for its expenses, shall be deposited into escrow on the closing of the offering of Subscription Receipts (the "**Financing Closing**") and shall be released upon satisfaction of certain conditions (the "**Escrow Release Conditions**") including the completion, satisfaction or waiver of all conditions precedent necessary for the completion of the Proposed Transaction. If the Escrow Release Conditions are not satisfied prior to 120 days after the Financing Closing, the escrow agent will return to the holders of Subscription Receipts an amount equal to the aggregate purchase price for the Subscription Receipts held by them and the Subscription Receipts will be cancelled and be of no further force or effect.

In connection with the Concurrent Financing, the Agent will receive a due diligence fee of \$50,000 from SPX plus a cash fee equal to 6% of the gross proceeds raised from the sale of Subscription Receipts and 6% of the gross proceeds raised from the sale of SPX Shares, subject to a reduction to 2% for certain purchasers on a "president's list" (the "**Cash Commission**"). In addition, the Resulting Issuer will issue non-transferable compensation warrants (the "**Compensation Warrants**") equal to 6% (2% president's list) of the total number of Subscription Receipts sold under the Concurrent Financing. Each Compensation Warrant will entitle the holder thereof to purchase one Resulting Issuer Share at an exercise price of \$0.20 per Resulting Issuer Share for a period of 36 months after the date the Escrow Release Conditions are satisfied. No Compensation Warrants are issuable in respect of the sale of SPX Shares in the Concurrent Financing. An additional cash fee of \$50,000 will be due on the date the Escrow Release Conditions are satisfied.

The securities offered have not been, nor will they be, registered under the U.S. Securities Act, as amended, or any state securities law, and may not be offered, sold or delivered, directly or indirectly, within the United States, or to or for the account or benefit of U.S. persons, absent registration or an exemption from such registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of securities in any state in the United States in which such offer, solicitation or sale would be unlawful

Any SPX Shares issuable in the Concurrent Financing will be acquired by Shellron pursuant to the Proposed Transaction on the same terms as the other outstanding securities of SPX.

This news release does not constitute an offer to sell and is not a solicitation of an offer to buy any securities in the United States. The securities of Shellron and SPX 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 U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws unless pursuant to an exemption from such registration.

Bridge Financing

The parties have agreed that upon the execution of the definitive agreement for the Proposed Transaction and the successful completion of a minimum of \$250,000 of the Concurrent Financing, SPX shall provide a loan to Shellron in the amount of \$50,000 (the "**Bridge Loan**"). The Bridge Loan will be unsecured, bear interest at a rate of 4% per annum, and have a term of

12 months. The Bridge Loan will be forgiven by SPX in certain circumstances in the event of a termination of the Proposed Transaction.

If the Bridge Loan has not been advanced by May 15, 2025, SPX will use all commercially reasonable efforts to cause the subscription for a private placement of 250,000 Shellron Shares at a price of \$0.20 per share (the “**Bridge Financing**”) to provide funds to Shellron to cover its expenses in relation to the Proposed Transaction as well as general and administrative expenses.

SPX has agreed to be responsible for the payment or reimbursement of all Shellron’s expenses relating to the Proposed Transaction, including legal fees, auditor fees, financial advisory fees, fees payable to TSXV and reasonable disbursements of Shellron and its advisors, provided however that in the event the Bridge Financing is completed, such expenses will only be payable by SPX in the event they exceed the amount of the Bridge Financing.

Information Concerning SPX

SPX is a full-service sports representation and marketing agency in the Republic of Korea (“Korea”). SPX operates across the following business segments: Player Representation, Sponsorships & Endorsements, Marketing Consulting & Public Relations, and Sports Event Management

SPX represents and manages the professional careers of some of Korea’s most elite athletes, especially in the Korea Professional Golf Association (KPGA) and the Korea Baseball Organization (KBO). From contract negotiations, public relations, and player development to sponsorship portfolios and career management, SPX individually manages and supports its clients in every aspect of their professional growth.

SPX also provides strategic planning, marketing consulting and public relations services to major sports organizations, leagues, federations and associations. It serves as the official marketing and public relations agency for Major League Baseball (MLB) in Korea and the Korean Sports & Olympic Committee.

In addition, SPX originates and manages major sporting events throughout Asia, with plans to expand its event creation and management footprint into North America.

As of December 31, 2024, SPX had approximately Korean won 1,181 million in assets (CAD \$1,151,475), and liabilities of approximately Korean won 324 million (CAD\$315,900) and Korean won 5,031 million (CAD\$4,905,225) in revenues through Q4 (unaudited pro forma combined financial statements). Converted into CAD using the Bank of Canada Exchange rate on April 11, 2025 of 1 Korean won = CAD\$0.000975.

Management and Board of Directors of Resulting Issuer

All of the current members of the Shellron board of directors and management will resign in favor of nominees of SPX who will be determined and outlined in a further press release.

Sponsorship

The Proposed Transaction is subject to the sponsorship requirements of the TSXV unless an exemption from those requirements is granted. Shellron intends to apply for an exemption

from the sponsorship requirements; however, there can be no assurance that an exemption will be obtained.

Forward-Looking Statements

This press release contains statements which constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Shelltron with respect to future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes information regarding: expectations regarding whether the Proposed Transaction will be consummated, whether definitive agreements will be executed in respect of the Proposed Transaction, whether the Concurrent Financing or the Bridge Financing will be completed on the terms contemplated or at all, whether the Proposed Transaction and the insiders of the Resulting Issuer will be acceptable to the Exchange, whether the conditions precedent to the Proposed Transaction will be completed, including whether conditions to the consummation of the conditions precedent to the Proposed Transaction will be satisfied, or the timing for completing the Proposed Transaction and the conditions precedent to the Proposed Transaction.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect Shelltron’s management’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Shelltron believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the Proposed Transaction and/or the conditions precedent to the Proposed Transaction; the ability to obtain requisite regulatory and other approvals and the satisfaction of other conditions to the consummation of the Proposed Transaction and/or the conditions precedent to the Proposed Transaction on the proposed terms and schedule; the potential impact of the announcement or consummation of the Proposed Transaction and/or the conditions precedent to the Proposed Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; the ability of the parties to raise sufficient capital to complete the Concurrent Financing; and the diversion of management time on the Proposed Transaction and/or the conditions precedent to the Proposed Transaction. This forward-looking information may be affected by risks and uncertainties in the business of Shelltron and SPX and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Shelltron has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Shelltron does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

On behalf of the Board of Directors

Jorge Martinez
Director

Telephone: (604) 418-6560

All information contained in this news release relating to SPX was provided by SPX to Shellron for inclusion herein. Shellron has not independently verified such information and shall bear no liability for any misrepresentation contained therein.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable pursuant to TSX-V requirements, majority of the minority 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 a capital pool company should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release.

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