

# Railtown II Capital Corp. Announces Name Change and Signing of a Non-Binding Letter of Intent with Kodiak Copper and Teck to Create New US-Focused Copper Exploration Company

Vancouver, British Columbia--(Newsfile Corp. - May 5, 2026) - Railtown II Capital Corp., currently an unlisted reporting issuer, announces that it has changed its corporate name to Kay Copper Corp. ("**Kay Copper**"), in conjunction with entering into a non-binding letter of intent (the "**LOI**") with Kodiak Copper Corp. (TSXV: KDK) (OTCQX: KDKCF) (FSE: 5DD1) ("**Kodiak**") and Teck Resources Limited (collectively with its subsidiary Teck American Incorporated, "**Teck**"), which outlines the principal terms of a proposed transaction to be completed by way of a three-cornered amalgamation (the "**Transaction**").

Under the Transaction, Kodiak would vend its 100% owned Mohave project ("**Mohave**") and Teck would vend its 100% owned Copper Hill project ("**Copper Hill**"), both located in Arizona, into a subsidiary of Kay Copper to create a new US-focused copper exploration company that would apply to list its shares on the TSX Venture Exchange ("**TSXV**"). The Transaction is subject to ongoing negotiations, the execution of definitive agreements, due diligence, consents and regulatory approval, approval of the TSXV and the completion of the Newco Initial Financing (as defined below) and the Newco Concurrent Financing (as defined below). There is no guarantee that the Transaction will be completed.

## Strategic Rationale

- Transaction is anticipated to generate synergies and unlock value that is not being recognized within current corporate structures
- Conducive environment for domestic critical mineral projects in the United States
- Premier jurisdiction - Arizona is a prolific mining district with existing infrastructure that produced 70% of US copper production in 2025
- Quality assets - two 100% owned exploration-stage copper porphyry projects
- Near-term exploration upside - multiple drill-ready targets on both projects that can be advanced quickly, with drilling planned in 2026
- Experienced team with track record of creating shareholder value
- Kay Copper is expected to be a well-funded company with Teck and Kodiak as shareholders and the support of Discovery Group™

## Transaction Overview

Pursuant to the LOI and subject to the negotiation and execution of definitive agreements:

- A new private company will be incorporated ("**NewCo**") for the purposes of the Transaction. NewCo would acquire Mohave and Copper Hill from Kodiak and Teck, respectively, in exchange for shares of NewCo;
- NewCo would issue to each of Kodiak and Teck 20 million common shares at a deemed price of \$0.25 per share as consideration for Mohave and Copper Hill, respectively;

- NewCo would complete a three-cornered amalgamation with Kay Copper (the "**Amalgamation**"), whereby NewCo would merge with a newly formed subsidiary of Kay Copper and the holders of shares of NewCo would receive one share of Kay Copper for each NewCo share held;
- Concurrently with the Amalgamation, Kay Copper would apply to list its shares for trading on the TSXV under the name of Kay Copper Corp;
- Completion of the Transaction is subject to customary closing conditions including the completion of due diligence by each of Kodiak, Teck and Kay Copper, negotiating and executing definitive agreements, obtaining all necessary consents and regulatory approvals, TSXV acceptance and satisfaction of applicable listing requirements, the completion of the NewCo Initial Financing (as defined below), the completion of the NewCo Concurrent financing (as defined below) and other conditions. Closing is expected in the third quarter of 2026; and
- Further details regarding the Transaction will be provided as the process continues to advance.

There can be no assurance that the Transaction, NewCo Initial Financing (as defined below) or NewCo Concurrent Financing (as defined below) will be completed as proposed, or at all.

### **NewCo Concurrent & Initial Financing**

In connection with the Transaction, NewCo intends to complete a subscription receipt financing at \$0.25 per share for minimum gross proceeds of C\$4.0 million (the "**NewCo Concurrent Financing**").

- Proceeds are intended to fund exploration work programs to materially advance both projects in 2026.
- Gross proceeds would be held in escrow and released concurrently with closing of the Transaction upon satisfaction of specified escrow release conditions, including completion of the asset acquisitions, amalgamation, and TSXV conditional approval, and all requisite corporate and regulatory approvals.
- If escrow release conditions are not satisfied, subscription receipt holders would be entitled to a return of funds in accordance with the terms of the subscription receipts.

In addition to the NewCo Concurrent Financing, NewCo intends to complete a non-brokered initial financing to the incoming management, board, and investors at \$0.10 per share for gross proceeds of up to \$830,000 (the "**NewCo Initial Financing**"), subject to negotiation, execution of definitive agreements and applicable approvals. The NewCo Initial Financing is expected to close prior to closing of the Transaction.

### **Expected Capital Structure of Kay Copper**

Following completion of the Transaction, the NewCo Concurrent Financing, and the NewCo Initial Financing, Kay Copper is expected to have approximately 70,300,000 common shares outstanding, on an undiluted basis, with ownership expected to be held approximately as follows:

- Kodiak: 28%
- Teck: 28%
- Kay Copper existing shareholders: 9%
- NewCo Initial Financing subscribers: 12%
- NewCo Concurrent Financing subscribers: 23%

Final capitalization will be determined upon negotiation and execution of definitive agreements, the NewCo Concurrent Financing and the NewCo Initial Financing.

## **Additional Terms**

- In addition to receiving common shares of Kay Copper, each of Teck and Kodiak are expected to enter into separate Investor Rights Agreements with Kay Copper.
- Teck is expected to be granted offtake rights with respect to certain concentrate production from the Mohave and Copper Hill projects, subject to definitive documentation.

## **Management and Board of Directors**

Upon closing the Transaction, the management and board of directors of Kay Copper will be reconstituted. The management team will be led by Adam Schatzker as Chief Executive Officer and Claudia Tornquist will chair the Board of Directors. Other management and board appointments will be named in due course. Chris Taylor, John Robins and Jim Paterson will be advisors to Kay Copper and the company will be part of Discovery Group™.

### *Adam Schatzker -Chief Executive Officer*

Mr. Schatzker is a mining executive with over 25 years of experience spanning corporate development, capital markets, and project evaluation across base, battery, and precious metals. Most recently Vice President, Corporate Development at Canada Nickel Company, he led government funding initiatives to advance the Crawford Nickel Sulphide Project, and the corporate development activities for carbon-related businesses. His career includes senior roles with RBC Capital Markets, Research Capital, Waterton Global, and Uranium One. In these roles, he built deep expertise in valuation, strategy, capital markets, and financing for resource companies. Mr. Schatzker is an independent director of Tiernan Gold Corp. He holds an MBA and B.Sc. (Geology) from the University of Toronto.

### *Claudia Tornquist - Chair of the Board*

Ms. Tornquist is an experienced mining executive whose background includes business development, business evaluation, M&A and financing, at both multi-national companies and in the junior sector. She is the CEO of Kodiak Copper, was formerly General Manager at Rio Tinto working with Rio Tinto's copper operations and also held the position of Executive Vice President Business Development for the streaming company Sandstorm Gold. Ms. Tornquist is a Director of American Lithium and Silver One Resources and former director of Kennady Diamonds, leading the \$176m sale of the company to Mountain Province as chair of the special committee of the board. She has a Masters Degree in Mechanical Engineering from the Technical University of Munich and a Masters of Business Administration from INSEAD.

### *Chris Taylor - Advisor*

Mr. Taylor is a mining entrepreneur and founder of Kodiak Copper. He has more than 20 years experience in structural and economic geology with both mid-tier producer and junior exploration companies, including extensive experience in copper porphyry exploration. Mr. Taylor was founder and CEO & President of Great Bear Resources, which made a district-scale gold discovery in Canada and acquired over by Kinross Gold for \$1.8b, a discovery success recognized industry wide. His awards include PDAC's 2023 Bill Dennis Award, Mines & Money 2022 Mining CEO of the Year, The Northern Miner Mining Person of the Year for 2021, Kitco's Mining CEO of the Year 2021, AME 2021 Colin Spence Award & 2018 Bernie Schneiders Discovery of the Year Award by the Northwestern Ontario Prospectors Association (NWOPA).

### *John Robins - Advisor*

Mr. Robins is a successful industry recognized entrepreneur with over 40 years of experience in the mining industry. In 2025, he was the recipient of PDAC's Viola R. MacMillan Award for his leadership excellence in mineral exploration financing. He also received AME's Murray Pezim Award in 2022 for his significant contribution to the financing of exploration and development projects over the last 20 years, as well as the Spud Huestis Award in 2008 for having made significant contributions to mineral exploration in British Columbia and Yukon. Mr. Robins is a steward of the junior mining industry and the co-founder and principal of Discovery Group™. His entrepreneurship has created over \$2.6 billion in M&A activity and generated over C\$1 billion in direct and indirect mineral expenditures. He was involved in several monumental discoveries including the Yukon's 5Moz Coffee Gold deposit, Ontario's Great Bear Project, the Three Bluffs gold deposit in the Committee Bay greenstone belt, and the Aviat/Churchill diamond districts of Nunavut. Mr. Robins holds many leadership positions in the industry, including Executive Chairman of K2 Gold, and acts as a Strategic Advisor to Defense Metals, Kodiak Copper, CopperEx Resources, Prospector Metals, and ValOre Metals.

#### *Jim Paterson - Advisor*

Mr. Paterson is the co-founder and principal of Discovery Group™ and has 27 years executive experience in the mining industry. He was a director of Kaminak (acquired by Goldcorp), Northern Empire (acquired by Coeur Mining), and Great Bear Royalties (acquired by Royal Gold). In addition to being the Chairman of ValOre Metals, Mr. Paterson is a director of K2 Gold, and acts as a Strategic Advisor to Kodiak Copper and Prospector Metals.

#### **Early Warning Reporting**

As of the date hereof, Teck and Kodiak do not own, directly or indirectly, nor exercises control or direction over, any shares of NewCo or Kay Copper. Upon closing of the Transaction (and assuming the completion of the maximum offering amount under the NewCo Concurrent Financing), Teck and Kodiak are expected to each beneficially own, directly or indirectly, or exercise control or direction over, approximately 20,000,000 shares in Kay Copper (subject to negotiations and execution of applicable definitive agreements), representing approximately 28% of the issued and outstanding shares of Kay Copper on a non-diluted basis.

Teck and Kodiak's acquisition of the shares of Kay Copper under the Transaction is being made for investment purposes. Teck and Kodiak may determine to increase or decrease their investments in the Company depending on market conditions and any other relevant factors. This release is required to be issued under the early warning requirements of applicable securities laws. Teck's head office is located at Suite 3300 - 550 Burrard Street, Vancouver, BC, V6C 0B3. Kodiak's head office is located at Suite 1020 - 800 West Pender Street, Vancouver, BC, V6C 2V6. In satisfaction of the requirements of the National Instrument 62-104 - *Take-Over Bids And Issuer Bids* and National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, early warning reports respecting the acquisition of shares of Kay Copper by Teck and Kodiak or its affiliates will be filed under the Company's SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). A copy of Teck's early warning report to be filed in connection with the Transaction and any potential definitive agreements may also be obtained by contacting Dale Steeves at 236-987-7405. A copy of Kodiak's early warning report to be filed in connection with the Transaction and any potential definitive agreements may also be obtained by contacting Jeff Dare at 604-235-4053.

On behalf of the Board of Directors  
**Kay Copper Corp.**

*Cameron White*  
Director

For further information contact:  
Cameron White, Director

*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.*

*Forward-Looking Statement (Safe Harbor Statement): This press release contains forward looking statements within the meaning of applicable securities laws. The use of any of the words "anticipate", "plan", "can", "could", "continue", "expect", "estimate", "objective", "may", "will", "would", "project", "shall", "should", "predict", "potential" and similar expressions are intended to identify forward looking statements. In particular, this press release contains forward looking statements concerning: the proposed creation of a new U.S.-focused copper exploration company expected to list on the TSXV; Kodiak vending Mohave to NewCo; Teck vending Copper Hill to NewCo; that NewCo will unlock value and synergies that are not being recognized or maximized within the current corporate structures of Kodiak and Teck; that Mohave and Copper Hill have multiple drill-ready targets that can be advanced quickly; that NewCo will be positioned for meaningful growth; that copper prices and growing support for domestic critical minerals in the U.S. will create substantial long-term returns; the NewCo Initial Financing and the NewCo Concurrent Financing; the Amalgamation, including NewCo and Kay Copper (and the potential listing application on the TSXV of such amalgamated company); the successful negotiation and execution of a definitive agreement; the receipt of consents or regulatory approvals, including potential TSXV approval; the closing of the Transaction; the closing of the NewCo Concurrent Financing; the closing of the NewCo Initial Financing; the exploration and potential of Mohave Project and Copper Hill Project; leadership team; availability of future capital; and the future investor rights of Teck and Kodiak and future offtake rights of Teck regarding NewCo. Although Kay Copper believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Kay Copper cannot give any assurance that they will occur or prove to be correct. Since forward looking statements address future events and conditions, they involve inherent assumptions, risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of assumptions, factors and risks. These assumptions and risks include, but are not limited to, assumptions and risks associated with: the ability of the parties to execute their business objectives related to the Transaction; the ability of the parties to negotiate and execute definitive agreements; the parties expectations regarding future results from Mohave and Copper Hill; the ability to obtain necessary capital for the NewCo Initial Financing and the NewCo Concurrent Financing; conditions in the equity financing markets; receipt of regulatory and shareholder approvals; the impact of increasing competition; the regulatory framework regarding royalties, taxes and environmental matters; the ability to achieve potential synergies and unlock value from the Transaction; and the nature of the proposed business of NewCo, including the exploration and production of natural resources.*

*Management has provided the above summary of risks and assumptions related to forward looking statements in this press release in order to provide readers with a more comprehensive perspective on Kay Copper's future operations. Kay Copper's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Kay Copper will derive from them. These forward-looking statements are made as of the date of this press release, and, other than as required by applicable securities laws, Kay Copper disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.*

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