



Management's Discussion and Analysis

Year Ended April 30, 2025

(Stated in Canadian Dollars)

Dated August 26, 2025

Shelliron Capital Ltd.

Management's Discussion and Analysis

For the Year Ended April 30, 2025

(Expressed in Canadian Dollars, except where noted)



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This Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Shellron Capital Ltd.'s ("Shellron", the "Company" or "Issuer") performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited financial statements and related notes for the year ended April 30, 2025, which have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), all of which are available under the Company's SEDAR+ profile at www.sedarplus.ca. For the purposes of this MD&A, "This Quarter" or "Current Quarter" means the three-month period ended April 30, 2025, the "Prior Year Quarter" means the three-month period ended April 30, 2024. "This Period" or "Current Period" means the year ended April 30, 2025, and the "Prior Year" means the year ended April 30, 2024. The information contained in this MD&A is current to August 26, 2025.

Forward Looking Information

This MD&A contains "forward-looking information and statements" that are subject to risk factors set out under the caption *Caution regarding forward looking statements* later in this document. The reader is cautioned not to place undue reliance on forward-looking statements.

Profile and Strategy

The Company was incorporated under the laws of the province of British Columbia, Canada on January 21, 2021. The Company's head office and principal address is located at 3082 Spencer Place, West Vancouver, British Columbia, Canada, V7V 3C7.

On November 22, 2021, the Company completed an initial public offering ("IPO") to be classified as a Capital Pool Company ("CPC") pursuant to the policies of the TSX Venture Exchange ("TSXV") Policy 2.4 and is listed on the TSXV under the trading symbol "SHLL". The Company is in the startup stage and its principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as defined by the rules of the TSXV (the "Principal Business"). Such a transaction will be subject to regulatory approval.

The Company's financial condition is affected by general market conditions.

Overall Performance and Outlook

The following highlights the Company's overall performance for the year ended April 30, 2025:

	Year Ended		Change
	April 30, 2025 (\$)	April 30, 2024 (\$)	
Net loss	(59,741)	(112,868)	53,127
Cash used in operating activities	(41,810)	(106,354)	64,544
Cash at end of year	6,675	48,485	(41,810)
Loss per share – basic and diluted	(0.01)	(0.01)	(0.00)

Corporate Updates

On October 30, 2024, the Company held its Annual General meeting of the Company's shareholders. More information on voting results is available under the Company's profile on www.sedarplus.ca.

Qualifying Transaction

On June 4, 2025, the Company entered into a share exchange agreement with SPX Management Limited ("SPX") for the purpose of effecting a Qualifying Transaction (the "Transaction").

Upon closing of the Transaction, the Company will issue an aggregate of 10 common shares in the capital of the Company ("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).

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

Subject to satisfaction or waiver of all conditions precedent to the Transaction, the Company and SPX are to close the Transaction no later than November 30, 2025.

Prior to or concurrently with the closing of the Transaction, the parties intend to complete commercially reasonable efforts brokered private placement (the "Concurrent Financing") between \$6,550,000 and \$10,000,000 in aggregate gross proceeds.

The completion of the Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) approval from the TSXV and the listing of all applicable securities in connection with the Transaction; (ii) the receipt of all requisite corporate and shareholder consents and approvals; and (iii) the completion of the Concurrent Financing

Summary of Quarterly Results

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2025	2025	2025	2025	2024	2024	2024	2024
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net loss for the period	(18,926)	(15,120)	(17,760)	(7,935)	(26,529)	(33,594)	(36,146)	(16,599)
Basic and diluted net loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Q4 2025 Compared with Q3, 2025, Q2 2025 and Q1 2024

During the three months ended April 30, 2025, the Company recorded a net loss of \$18,926, generally consistent with Q3, 2025, Q2 2025 and Q1 2024 which incurred losses of \$15,120, \$17,760 and \$16,599 respectively.

Q4 2025 Compared with Q1 2025

During the current quarter, the Company incurred a net loss of \$18,926, compared to \$7,935 in Q1 2025. The increase in net loss is mainly due to the filing fees paid during this quarter.

Q4 2025 Compared with Q4 2024, Q3 2024 and Q2 2024

During the three months ended April 30, 2025, the Company recorded a net loss of \$18,926, compared to \$26,529, \$33,594 and \$36,146 for Q4 2024, Q3 2024 and Q2 2024 respectively. The decrease in net loss this quarter is primarily attributable to lower operating expenses, including a reduction in professional fees, general and administration and travel expenses.

Selected Annual Information

	Year ended		
	April 30, 2025 (\$)	April 30, 2024 (\$)	April 30, 2023 (\$)
Net loss for the year	(59,741)	(112,868)	(330,695)
Basic and diluted loss per share	(0.01)	(0.01)	(0.04)
	April 30, 2025 (\$)	April 30, 2024 (\$)	April 30, 2023 (\$)
Total assets	7,662	62,631	174,700

During the year ended April 30, 2025, the Company incurred a net loss of \$59,741, compared to \$112,868 during fiscal 2024 and \$330,695 during fiscal 2023. The reduced net loss this year is mainly because the Company implemented cost-saving measures, leading to lower general and administrative expenses, professional fees, and travel expenses. The significantly higher net loss in fiscal 2023 is attributable to a loan impairment of \$250,000.

Liquidity and Capital Resources

The Company does not currently derive any significant revenues from operations. The Company's activities have been funded primarily through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. The Company has been successful in its fund-raising efforts in the past, but there can be no assurance that the Company will continue to be successful in the future. If such funds are not available or other sources of finance cannot be obtained, then the Company will be required to curtail its activities to a level for which funding is available and can be obtained. The Company's ability to access funding is also contingent on the ongoing demand for CPC's and general capital market conditions.

	Year Ended	
	April 30, 2025 (\$)	April 30, 2024 (\$)
Cash used in operating activities	(41,810)	(106,354)
Cash, end of period	6,675	48,485

As at April 30, 2025, the Company had a working capital deficiency of \$4,395, compared to working capital of \$55,346 as at April 30, 2024. The Company will need to conduct additional financings to meet working capital requirement, and obligations as they become due.

During the current year, the Company used \$41,810 in operating activities, compared to \$106,354 of cash used during the prior year. Cash used in operating activities primarily related to professional fees, filing fees, and general and administration expenses.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

During the year ended April 30, 2025, the Company incurred general and administration fees of \$nil (2024 - \$28,000) to a company controlled by a director of the Company.

During the year ended April 30, 2025, the Company incurred general and administration fees of \$12,500 (2024 - \$5,900) to the Chief Executive Officer of the Company.

During the year ended April 30, 2025, the Company incurred share-based payment compensation of \$nil (2024 - \$4,088) to the Chief Executive Officer of the Company.

Commitments

The Company had no financial commitments as at April 30, 2025, and the date of this MD&A.

Changes in Accounting Policies and Standards

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial Instruments and Risk Management

Financial Risks

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments as at April 30, 2025, are summarized below.

(a) Credit Risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statement of financial position. Cash is held as cash deposits with a creditworthy bank.

(b) Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. All of the Company's financial liabilities have maturities of one year or less. The carrying values of the Company's accounts payables and accrued liabilities on the statement of financial position equal their contractual cash flows.

(c) Market Risks

(i) Foreign Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. As at April 30, 2025 and 2024, the Company is not exposed to significant foreign currency risk.

(ii) Interest Rate Risk

The Company does not have any interest bearing debt and is therefore not exposed to interest rate risk.

Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial instruments, which include cash, and accounts payable and accrued liabilities, approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue a Qualifying Transaction and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the startup stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, to obtain shareholder approval, if applicable, for a proposed Qualifying Transaction by the Company as defined under the Exchange Policy 2.4, to cover reasonable expenses relating to the IPO and a maximum of \$3,000 per month to cover prescribed administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company. The Company currently is not subject to other externally imposed capital requirements.

Other Information

Disclosure by Venture Issuer Without Significant Revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited financial statements for year ended April 30, 2025 to which this MD&A relates.

Outstanding Share Data

The Company has authorized capital of an unlimited number of common shares without par value. The table below represents the Company's capital structure as at the dates presented:

	As at date of this MD&A	April 30, 2025
Common shares issued and outstanding	8,539,000	8,539,000
Share purchase options	625,000	625,000

Risk and Uncertainties

Risk Factors

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but do not represent all of the risks associated with an investment in securities of the Company. Some of the following statements are forward-looking and actual results may differ materially from the results anticipated in these forward-looking statements. Please refer to the section titled "Caution Regarding Forward-Looking Statements" in this report. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects could be materially and adversely affected.

Dilution

In order to finance future operations and development efforts, the Company may raise funds through the issue of shares or securities convertible into shares. The constating documents of the Company allow it to issue, among other things, an unlimited number of shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The Company cannot predict the size of future issues of shares or securities convertible into shares or the effect, if any, that future issues and sales of shares will have on the price of the shares. Any transaction involving the issue of previously authorized but unissued shares or securities convertible into shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Reliance on Key Employees

The success of the Company will be largely dependent upon the performance of its management and key employees. The Company does not have any key man insurance policies and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on the Company. In assessing the risk of an investment in the Company's shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of the Company. An investment in the Company's shares is suitable only for those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment.

The Market Price of Shares May be Subject to Wide Price Fluctuations

If, and when applicable, the market price of the Company's shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the shares.

Conflict of Interest of Management

Certain of the Company's directors and officers are also directors and officers of other companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers relating to the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies.

Insurance

The Company does not intend to obtain insurance while it is classified as a CPC. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer or such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

Global Financial Conditions

Global financial conditions over the last few years have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the operations of the Company may suffer adverse impact and the price of our shares may be adversely affected.

Credit Risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk will be primarily composed of cash and amounts receivable. While the Company will attempt to mitigate its exposure to credit risk, there can be no assurance that unexpected losses will not occur. Such unexpected losses could adversely affect the Company.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected.

Controls and Procedures

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Caution Regarding Forward Looking Statements

Certain statements made in this and other Shellron public disclosure documents, including statements relating to matters that are not historical facts and statements of the Company's beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward looking information" within the meaning of applicable Canadian securities legislation ("forward-looking statements"). Forward-looking statements relate to future events or future performance, reflect current expectations or beliefs regarding future events and are typically identified by words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "budget", "plan", "estimate", "continue", "forecast", "believe", "predict", "potential", "target", "would", "might", "will", and similar words, expressions or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook.

Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements. Such assumptions and analyses are made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are reasonable and appropriate in the circumstances. There can be no assurance that such statements will prove to be accurate. Forward-looking statements are based on numerous assumptions regarding present and future business strategies, local and global economic conditions, and the environment in which the Company will operate in the future, including compliance by the Company with regulatory requirements, the sufficiency of Company's working capital; the Company's ability to secure additional funding; and the Company's ability to retain key personnel. You are hence cautioned not to place undue reliance on forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements.

Additional Information

Additional information relating to the Company is on SEDAR at www.sedarplus.ca.

Shellron Capital Ltd.

Management's Discussion and Analysis

For the Year Ended April 30, 2025

(Expressed in Canadian Dollars, except where noted)



Corporation Information

Head Office:	Unit 125A, 1030 Denman Street, Box 405 Vancouver, BC V6G 2M6
Directors:	Robert Giustra, Chairman Daniela Freitas Jorge Martinez
Officers:	Daniela Freitas Corporate Secretary, Interim Chief Executive Officer, and Interim Chief Financial Officer
Auditor:	Saturna Group Chartered Professional Accountants LLP Suite 1605, 1116 Alberni Street Vancouver, BC V6E 3Z3
Legal Counsel:	S. Paul Simpson Law Corporation 2800 – 777 Hornby Street Vancouver, BC V6Z 1S4
Transfer Agent:	Computershare Investor Services Inc. 2 nd Floor – 510 Burrard Street Vancouver, BC V6C 3B9



Financial Statements

Years Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Shellron Capital Ltd.

Opinion

We have audited the financial statements of Shellron Capital Ltd. (the "Company"), which comprise the statements of financial position as at April 30, 2025 and 2024, and the statements of operations and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has no business operations and incurred negative cash flow from operations of \$41,810 during the year ended April 30, 2025, and, as at that date, the Company had a working capital deficit of \$4,395 and an accumulated deficit of \$639,923. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended April 30, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lonny Wong.

A handwritten signature in black ink that reads "Saturna Group LLP". The signature is fluid and cursive, with the letters "S", "G", and "L" being particularly prominent.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

August 26, 2025

	April 30, 2025 (\$)	April 30, 2024 (\$)
Assets		
Current assets		
Cash	6,675	48,485
Receivables	987	1,169
Prepaid expenses	—	12,977
Total assets	7,662	62,631
Liabilities and shareholders' equity (deficit)		
Current liabilities		
Accounts payable and accrued liabilities	12,057	7,285
Total liabilities	12,057	7,285
Shareholders' equity (deficit)		
Share capital	569,910	569,910
Reserves (Note 4)	65,618	65,618
Deficit	(639,923)	(580,182)
Total shareholders' equity (deficit)	(4,395)	55,346
Total liabilities and shareholders' equity (deficit)	7,662	62,631

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on August 26, 2025:

/s/ Daniela Freitas
Daniela Freitas, Director

/s/ Jorge Martinez
Jorge Martinez, Director

The accompanying notes are an integral part of these financial statements.

Shelliron Capital Ltd.**Statements of Operations and Comprehensive Loss**

(Expressed in Canadian Dollars)



	Year Ended	
	April 30, 2025	April 30, 2024
	(\$)	(\$)
Expenses		
General and administration (Note 5)	23,754	51,102
Professional fees	22,514	22,243
Share-based payments (Note 4)	—	4,088
Transfer agent and filing fees	16,037	16,038
Travel	—	23,220
Total expenses	62,305	116,691
Loss before other income	(62,305)	(116,691)
Other income		
Interest income	712	3,823
Net loss and comprehensive loss for the year	(59,741)	(112,868)
Loss per share, basic and diluted	(0.01)	(0.01)
Weighted average shares outstanding	8,539,000	8,539,000

The accompanying notes are an integral part of these financial statements.

Shellron Capital Ltd.**Statements of Changes in Shareholders' Equity (Deficit)**

(Expressed in Canadian Dollars)



	Share Capital		Reserves (\$)	Deficit (\$)	Total (\$)
	Number of Shares	Amount (\$)			
Balance, April 30, 2023	8,539,000	569,910	61,530	(467,314)	164,126
Share-based payments	—	—	4,088	—	4,088
Net loss for the year	—	—	-	(112,868)	(112,868)
Balance, April 30, 2024	8,539,000	569,910	65,618	(580,182)	55,346
Net loss for the year	—	—	—	(59,741)	(59,741)
Balance, April 30, 2025	8,539,000	569,910	65,618	(639,923)	(4,395)

The accompanying notes are an integral part of these financial statements.

	Year Ended	
	April 30, 2025	April 30, 2024
	(\$)	(\$)
Operating Activities		
Net loss for the year	(59,741)	(112,868)
Items not involving cash:		
Share-based payments	–	4,088
Changes in non-cash working capital:		
Receivables	182	8,692
Prepaid expenses	12,977	(2,977)
Accounts payable and accrued liabilities	4,772	(3,289)
Net cash used in operating activities	(41,810)	(106,354)
Decrease in cash	(41,810)	(106,354)
Cash, beginning of year	48,485	154,839
Cash, end of year	6,675	48,485

The accompanying notes are an integral part of these financial statements.

1. Nature of Operations and Going Concern

Shellron Capital Ltd. (the “Company”) was incorporated under the laws of the province of British Columbia, Canada on January 21, 2021. The Company’s head office is located at Unit 125A, 1030 Denman Street, Box 405, Vancouver, British Columbia, Canada, V6G 2M6.

On November 22, 2021, the Company completed an initial public offering (“IPO”) to be classified as a Capital Pool Company (“CPC”) pursuant to the policies of the TSX Venture Exchange (“TSXV”) Policy 2.4 and is listed on the TSXV under the trading symbol “SHLL”. The Company is in the startup stage and its principal business will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as defined by the rules of the TSXV. Such a transaction will be subject to shareholder and regulatory approval. Refer to Note 9.

These financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required. During the year ended April 30, 2025, the Company had no business operations and incurred negative cash flow from operations of \$41,810 (2024 - \$106,354). As at April 30, 2025, the Company had a working capital deficit of \$4,395 and an accumulated deficit of \$639,923 (2024 - \$580,182). The Company’s continuing operations are dependent upon its ability to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction, as defined in Exchange Policy 2.4. The preceding indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of Presentation**(a) Statement of Compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

(b) Basis of Measurement

These financial statements have been prepared on the historical cost basis and are presented in Canadian dollars. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Use of Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Significant Estimates and Assumptions

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below:

Deferred Income Taxes

The determination of income tax expense and the composition of deferred income tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred income tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgments, and estimates may materially affect the final amount of deferred income tax provisions, deferred income tax assets and liabilities, and results of operations.

2. Basis of Presentation – continued**(c) Use of Estimates and Judgments - continued**Significant Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

Going Concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. Material Accounting Policy Information**(a) Cash and Cash Equivalents**

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(b) Income Taxes

Income tax is recognized in the statement of operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to income tax payable with regards to previous years.

Deferred income taxes are accounted for using the statement of financial position method of tax allocation. Under this method, deferred income tax assets and liabilities are recognized for the tax consequences of temporary differences by applying substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

A deferred income tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred income tax asset will be recovered, the deferred income tax asset is reduced.

Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current income tax assets and liabilities on a net basis. Current and deferred income taxes relating to items recognized directly in equity is recognized in equity and not in the statement of operations.

(c) Share-Based Payments

The Company grants share-based awards, including options, as an element of compensation to directors, officers, employees and service providers.

The Company uses the Black-Scholes Option Pricing Model to measure the fair value for all share options granted, modified or settled during the period. Compensation expense is recorded based on the fair value of the award at the grant date, amortized over the vesting period. Each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of comprehensive income or as capitalized mineral resource property cost with a corresponding entry within equity, against share-based payments reserve. No expense is recognized for awards that do not ultimately vest. When options are exercised, the proceeds received, together with any related amount in share-based payments reserve, are credited to share capital.

3. Material Accounting Policy Information – continued**(d) Loss per Share**

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at April 30, 2025, the Company has 625,000 (2024 – 725,000) potentially dilutive shares outstanding.

(e) Financial Instruments

The Company’s classification of its financial instruments under IFRS 9 – Financial Instruments (“IFRS 9”) is as follows:

Asset or Liability	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Classifications

On initial recognition, the Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

All financial assets not classified or measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

3. Material Accounting Policy Information – continued**(e) Financial Instruments – continued**Measurement*Financial Assets at FVTOCI*

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial Assets and Liabilities at Amortized Cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial Assets and Liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of operations. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in the statement of operations in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of operations, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

*Derecognition***Financial Assets**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of operations. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial Liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of operations.

3. Material Accounting Policy Information – continued**(f) Recent Accounting Standards**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended April 30, 2025, and have not been early adopted in preparing these financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and are not expected to have a significant impact on the Company's financial statements.

4. Share Capital**(a) Common Shares**

Authorized - unlimited common shares without par value.

As at April 30, 2025, the Company had 8,539,000 (2024 - 8,539,000) common shares issued and outstanding.

(b) Share Options

The Company has a share option plan to issue share options whereby the total share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant options to directors, officers, employees or consultants. The exercise price of an option is not less than the closing price on the TSXV on the last trading day preceding the grant date.

The continuity of the Company's share options is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, April 30, 2023	825,000	0.10
Granted	250,000	0.10
Cancelled	(350,000)	0.10
Balance, April 30, 2024	725,000	0.10
Cancelled	(100,000)	0.10
Balance, April 30, 2025	625,000	0.10

Shelliron Capital Ltd.

Notes to the Financial Statements

Years Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars, except where noted)

**4. Share Capital – continued**

Additional information regarding the Company's share options as at April 30, 2025, is as follows:

Range of Exercise Prices (\$)	Options Outstanding		Options Exercisable	
	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Number of Options Exercisable	Weighted Average Remaining Contractual Life (Years)
0.10	625,000	1.56	375,000	1.56
0.10	250,000	3.69	250,000	3.69
	625,000	2.41	625,000	2.41

The fair value of vested share options recognized as an expense during the year ended April 30, 2025, was \$nil (2024 - \$4,088). The weighted average grant date fair value was \$nil (2024 - \$0.016) per option.

The fair value of each share option was estimated on the date of grant using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

Grant Date	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Expected Forfeitures
January 5, 2024	95%	3.27%	5	-	-

5. Related Party Transactions

During the year ended April 30, 2025, the Company incurred general and administration fees of \$3,670 (2024 - \$28,000) to a company controlled by a director of the Company.

During the year ended April 30, 2025, the Company incurred general and administration fees of \$12,500 (2024 - \$5,900) to the Chief Executive Officer of the Company.

During the year ended April 30, 2025, the Company incurred share-based payment compensation of \$nil (2024 - \$4,088) to the Chief Executive Officer of the Company.

6. Financial Instruments and Risk ManagementFinancial Risks

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments as at April 30, 2025, are summarized below.

(a) Credit Risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statement of financial position. Cash is held as cash deposits with a creditworthy bank.

6. Financial Instruments and Risk Management – continued**(b) Liquidity Risk**

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. All of the Company's financial liabilities have maturities of one year or less. The carrying values of the Company's accounts payable and accrued liabilities on the statement of financial position equal their contractual cash flows.

(c) Market Risks**(i) Foreign Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. As at April 30, 2025 and 2024, the Company is not exposed to significant foreign currency risk.

(ii) Interest Rate Risk

The Company does not have any interest-bearing debt and is therefore not exposed to interest rate risk.

Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial instruments, which include cash, and accounts payable and accrued liabilities, approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

7. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue a Qualifying Transaction and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the startup stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, to obtain shareholder approval, if applicable, for a proposed Qualifying Transaction by the Company as defined under the Exchange Policy 2.4, to cover reasonable expenses relating to the IPO and a maximum of \$3,000 per month to cover prescribed administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company. The Company currently is not subject to other externally imposed capital requirements.

Shellron Capital Ltd.

Notes to the Financial Statements

Years Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars, except where noted)

**8. Income Taxes**

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2025 (\$)	2024 (\$)
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(16,130)	(30,474)
Tax effect of:		
Permanent differences and other	—	1,306
Change in unrecognized deferred income tax assets	16,130	29,168
Income tax provision	—	—

The significant components of deferred income tax assets and liabilities are as follows:

	2025 (\$)	2024 (\$)
Deferred income tax assets		
Non-capital losses carried forward	170,302	150,311
Share issuance costs	3,860	7,721
Unrecognized deferred income tax assets	(174,162)	(158,032)
Net deferred income tax asset	—	—

As at April 30, 2025, the Company has non-capital losses carried forward of \$630,747 (2024 - \$556,708), which is available to offset future years' taxable income. These losses expire as follows.

	(\$)
2041	6,162
2042	83,225
2043	344,993
2044	122,328
2045	74,039
Total	630,747

9. Qualifying Transaction

On June 4, 2025, the Company entered into a share exchange agreement with SPX Management Limited ("SPX") for the purpose of effecting a Qualifying Transaction (the "Transaction").

Upon closing of the Transaction, the Company will issue an aggregate of 10 common shares in the capital of the Company ("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).

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

Subject to satisfaction or waiver of all conditions precedent to the Transaction, the Company and SPX are to close the Transaction no later than November 30, 2025.

9. Qualifying Transaction – *continued*

Prior to or concurrently with the closing of the Transaction, the parties intend to complete commercially reasonable efforts brokered private placement (the “Concurrent Financing”) between \$6,550,000 and \$10,000,000 in aggregate gross proceeds.

The completion of the Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) approval from the TSXV and the listing of all applicable securities in connection with the Transaction; (ii) the receipt of all requisite corporate and shareholder consents and approvals; and (iii) the completion of the Concurrent Financing.