

NEWS RELEASE

## Shellron Capital Ltd. Announces Proposed Qualifying Transaction with Launchtrip Technologies Corp.

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Vancouver, BC, Canada, August 2, 2022, Shellron Capital Ltd. (SHLL.P: TSXV) (“Shellron”), a capital pool company, is pleased to announce that it has entered into a binding letter of intent dated July 26, 2022 with Launchtrip Technologies Corp. (“Launchtrip”) in respect of an arm’s length reverse take-over transaction which is expected to result in securityholders of Launchtrip 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 Venture Exchange (the “Exchange”)) 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 completion of an offering of convertible, unsecured debentures of Launchtrip for gross proceeds of a minimum of \$500,000 (the “Debenture Offering”); (ii) the completion of a concurrent financing on terms sufficient to meet the applicable listing requirements of the Exchange (the “Concurrent Financing”); (iii) the proposed board of directors and management of the Resulting Issuer being acceptable to the Exchange and each of Shellron and Launchtrip; (iv) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the Exchange; and (v) certain other conditions as may be agreed between Shellron and Launchtrip.

Subject to satisfaction or waiver of all conditions precedents to the Proposed Transaction, Shellron and Launchtrip anticipate that the Proposed Transaction will be completed no later than January 31, 2023. There can be no assurance that the Proposed Transaction, the Debenture Offering or Concurrent Financing will be completed on the terms proposed above or at all.

Trading in the common shares of Shellron (the “Shellron Common Shares”) is currently halted in accordance with the policies of the Exchange 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 Exchange and permission to resume trading has been obtained from the Exchange. Launchtrip 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.

### The Qualifying Transaction

The Proposed Transaction is expected to be structured by way of a three-cornered amalgamation among Shellron, a wholly owned British Columbia subsidiary of Shellron (“Shellron AcquisitionCo”), and Launchtrip which will result in Shellron acquiring all of the issued and outstanding securities of Launchtrip in exchange for the issuance of securities of Shellron on a one-for-one (1:1) basis, subject

to adjustments as may be agreed between Shellron and Launchtrip, which will result in the amalgamation of Shellron AcquisitionCo and Launchtrip being conducted pursuant to the provisions of the *Business Corporations Act* (British Columbia) and the entity resulting from the amalgamation of Shellron AcquisitionCo and Launchtrip becoming a wholly-owned subsidiary of Shellron. The existing shareholders of Launchtrip are expected to own a majority of the outstanding Shellron Common Shares after completion of the Proposed Transaction and Shellron will be renamed to such name as mutually agreed to by Shellron and Launchtrip. The final structure of the Proposed Transaction is subject to the receipt of tax, corporate and securities law advice by both Shellron and Launchtrip.

It is anticipated that the Resulting Issuer will be listed on the Exchange as a Tier 2 technology issuer. The Proposed Transaction is not expected to constitute a Non-Arm’s Length Qualifying Transaction or a related party transaction pursuant to the policies of the Exchange and applicable securities laws, and is not expected to be subject to the approval of shareholders of Shellron, however is expected to be subject to the approval of shareholders of Launchtrip.

Additional information regarding the Proposed Transaction, will be provided in a filing statement, management information circular or similar disclosure document to be filed on the SEDAR profile of Shellron at [www.sedar.com](http://www.sedar.com) in due course.

#### **Debenture Offering and Concurrent Financing**

The Debenture Offering is expected to be effected by way of the sale of a minimum of \$500,000 of principal of unsecured, convertible debentures of Launchtrip (“**Debentures**”) with each such Debenture bearing interest at the simple non-compounding rate of 10.0% per annum and convertible in connection with the Proposed Transaction into common shares of Launchtrip (“**Launchtrip Common Shares**”) on terms to be determined, but not less than the “Discounted Market Price” of Shellron as determined in accordance with the policies of the Exchange.

The terms of the Concurrent Financing remains to be determined.

Launchtrip intends to use the net proceeds from the Concurrent Financing and the Debenture Offering for working capital purposes.

#### **Launchtrip Financial Information**

The following table provides certain financial information of Launchtrip derived from its unaudited financial statements and is stated in Canadian dollars.

|                       | <b>Year Ended<br/>30-Jun-2022</b> | <b>Year Ended<br/>30-Jun-2021</b> |
|-----------------------|-----------------------------------|-----------------------------------|
| Total Assets          | \$436,447                         | \$1,024,675                       |
| Total Liabilities     | \$2,460,612                       | \$1,631,301                       |
| Shareholders’ Deficit | \$(2,024,165)                     | \$(4,007,025)                     |
| Revenue               | \$nil                             | \$nil                             |
| Net Loss              | \$(7,947,498)                     | \$(1,829,190)                     |

## **Insiders of the Resulting Issuer**

Upon completion of the Proposed Transaction, it is anticipated that the board of directors of the Resulting Issuer will consist of five (5) nominees: Julian Ing, the current Chief Executive Officer of Launchtrip, Robin Beynon, Aleem Nathwani, Robert Giustra and one additional nominee of Launchtrip. It is anticipated that the senior management of the Resulting Issuer will be as follows: Julian Ing as Chief Executive Officer, Andrew Yau as Chief Financial Officer and Leah Dionne as Corporate Secretary.

### *Julian Ing, Proposed Director and Chief Executive Officer of the Resulting Issuer*

Mr. Ing is a veteran startup founder and CEO with 23 years of experience building successful companies in the publishing, marketing, gaming and travel space. From the acquisition of Quantum Publishing and Giant Interactive to the merger of Eruptive Games, Mr. Ing has the proven ability to launch, operate and grow notable B2C and B2B companies in their respective industries. From impacting social gaming on Facebook to innovating the way groups book travel, Mr. Ing has proven to be a visionary that specializes in building disruptive tech companies that scale to millions of users. Mr. Ing currently sits on a number of advisory boards with past experience as a board director for a Vancouver based tech company listed on the CSE.

### *Robin Beynon, Proposed Director of the Resulting Issuer*

Mr. Beynon has 25 years of experience in software development, an educational background in mathematics (B. Math University of Waterloo 1993), and experience in financial practices. He has a proven track record directing global teams in constructing software platforms that have passed rigorous certification processes and regulatory requirements. Mr. Beynon was the Director of Product Management and Director of Platform Strategy before assuming his current role as General Manager for Firefly Software in Vancouver BC. Primarily focused on the online gaming space, Mr. Beynon has directed software launches for platforms including casino betting, sports betting, CRM systems, financial reporting, and online payments. His visionary approach and big picture thinking is valuable to any organization or board.

### *Aleem Nathwani, Proposed Director of the Resulting Issuer*

Mr. Nathwani is an early stage venture capitalist with 16 years of private and public market experience. Currently, he serves as Principal, at Nathwani Capital, which invests, finances, and advises high growth companies, where he helps in areas of capital raising, facilitates initial public offerings, M&A transactions, and corporate governance.

He has held a number of senior positions where he's played pivotal roles in business and corporate development. His role at TELUS Communications (TSX: T) included driving early stage portfolios through to multi-million dollar commercialization and revenues. At Nutanix (Nasdaq: NTNX), Aleem was one of the earliest employees pre-IPO within the company, helping drive business development, sales, and channel partnership efforts for over 7 years, during which the company raised in excess of \$300 million at over a \$1 billion valuation.

### *Robert Giustra, Proposed Director of the Resulting Issuer*

Mr. Giustra has been actively engaged in venture capital markets for 30 years. He is a former investment banker with a national investment dealer (now Canaccord Genuity), where he co-founded the institutional equity sales department, and he has held senior executive positions and board seats

with a number of publicly traded companies. Mr. Giustra is the co-founder, Chairman, and former CEO of a publicly listed gold company, which in 2015, 2017 and 2018 was selected from a peer group of some 1,200 mining companies as a TSX Venture 50 company, ranking the top 10 companies in each of the five major industry sectors that make up the TSX Venture Exchange; and in 2016 it was one of only two Metals & Mining sector companies to graduate its listing to the senior Toronto Stock Exchange, during the previous one-year period. Mr. Giustra is also the co-founder of an international organic fruits and vegetables company with sales in nearly every major western European market, and he is the founder of a cannabis company which launched a leading cannabis infused beverage in 2022; the company also holds an absolute first mover status in the Mexican cannabis sector. Mr. Giustra is a former member of the TSX Venture Exchange's Local Advisory Committee.

*Andrew Yau, CPA, CGA, Proposed Chief Financial Officer of the Resulting Issuer*

Mr. Yau, a Chartered Professional Accountant (CPA, CGA), holds a Bachelor of Commerce and Business Administration degree from the University of British Columbia, and has been in finance and accounting roles with publicly listed companies since 2006. Mr. Yau previously held executive and senior financial positions with several Toronto Stock Exchange and TSX Venture Exchange listed companies, where he was responsible for all aspects of finance, accounting, tax, banking, legal, regulatory reporting, and internal controls. Mr. Yau's strong business acumen combined with his financial expertise, have made him essential in the completion of numerous complex international M&A transactions.

*Leah Dionne, Proposed Corporate Secretary of the Resulting Issuer*

Mrs. Dionne is the current Corporate Secretary of Launchtrip and the Managing Director of Corporate Advisory Services for Partum Advisory Services Corp., a leading Vancouver corporate administration and financial reporting firm. Mrs. Dionne has 15 years' collective experience working in leading Canadian law firms, and for publicly-traded companies. During her career, she has focused on securities and corporate finance and assists with managing public company listing requirements with a focus on the CSE, TSXV, NEO and TSX stock exchanges, as well as listings on the OTC Markets. Through Partum she helps clients navigate complex corporate compliance matters, financings and IPO preparations for the Canadian markets.

**Finder's Fee**

Upon closing of the Proposed Transaction, Shellron will issue 250,000 common shares of the Resulting Issuer as a finder's fee to a third party (the "**Finder**"), which is an arm's length party to each of Shellron and Launchtrip.

**Loan**

Subject to Exchange approval and policies, Shellron expects to render a refundable, secured, non-interest bearing loan to Launchtrip in the amount of \$225,000, which Launchtrip shall use for working capital purposes. In addition, an unsecured, interest free loan of \$25,000 has been advanced by Shellron to Launchtrip in accordance with the policies of the Exchange. Such loans will be fully refundable to Shellron within seven days should the Proposed Transaction be terminated.

**Sponsorship**

Sponsorship of a Qualifying Transaction is required by the Exchange unless a waiver from the sponsorship requirement is obtained. There is no assurance that a sponsorship or waiver from this requirement will be obtained.

## About Launchtrip

Launchtrip, a private British Columbia company, is the first travel booking app in the world that focuses on group trips to destinations and events around the world and includes a full split payment feature (first ever). Launchtrip is also the first travel app to provide inspirational travel video content supplied by top influencers worldwide – imagine a TikTok or Instagram of travel content but with the ability to store relevant content to a trip itinerary. Launchtrip is built to be a generational travel application that captures the largest and most influential segment of the travel space: Millennials. Launchtrip was launched in late 2018 in Vancouver, BC. Launchtrip focuses its first app on the leisure market with a corporate version releasing in 2023. Launchtrip is integrated with two of the largest global distribution systems (GDS's) in the world (same as Expedia and Priceline companies) which allows Launchtrip the ability to offer thousands of hotel rooms, airlines and car rentals to its users. Launchtrip additionally integrated with pivotal partners like American Express/Resy for restaurant bookings. Launchtrip expects to launch its flagship mobile application Summer of 2022.

## ON BEHALF OF THE BOARD OF DIRECTORS

Andrew Yau

Director, Chief Executive Officer and Chief Financial Officer

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### **Disclaimers**

*This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.*

*Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to Exchange acceptance, completion of the conditions precedent thereto including any financing requirements, and, if applicable pursuant to the Exchange requirements, majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed 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 Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*The TSX Venture Exchange has in no way passed upon the merits of the Proposed Transaction and has not approved or disapproved of the contents of this news release.*

*The Shellron Common Shares are expected to remain halted until such time as permission to resume trading has been obtained from the Exchange. Shellron is a reporting issuer in Alberta, British Columbia, and Ontario.*

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

### **Cautionary Note Regarding Forward-Looking Information**

*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 Shellron 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 Debenture Offering 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 Shellron'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 Shellron 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 Debenture Offering; 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 Shellron and Launchtrip 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 Shellron 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. Shellron does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.*