



Financial Statements

**For the Three Months Ended
July 31, 2025**

(Expressed in Canadian Dollars)

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of The Canadian Securities Administrators we hereby give notice that our condensed interim financial statements for the three months ended July 31, 2025, which follow this notice, have not been reviewed by an auditor.

Shellron Capital Ltd.

Condensed Interim Statements of Financial Position (Unaudited)

(Expressed in Canadian Dollars)



	July 31, 2025 (\$)	April 30, 2025 (\$)
Assets		
Current assets		
Cash	8,170	6,675
Receivables	1,118	987
Prepaid expenses	5,000	-
Total assets	14,288	7,662
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	5,373	12,057
Other liabilities (note 8)	25,000	-
Total liabilities	30,373	12,057
Shareholders' equity		
Share capital (note 3a)	569,910	569,910
Reserves (note 3d)	65,618	65,618
Deficit	(651,613)	(639,923)
Total shareholders' equity	(16,085)	(4,395)
Total liabilities and shareholders' equity	14,288	7,662

Nature of operations and going concern (note 1)

Approved and authorized for issuance on behalf of the Board of Directors on September 12, 2025:

/s/ Daniela Freitas

Daniela Freitas, Director

/s/ Jorge Martinez

Jorge Martinez, Director

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

Shellron Capital Ltd.**Condensed Interim Statements of Operations and Comprehensive Loss (Unaudited)**

(Expressed in Canadian Dollars)



	Three Months Ended	
	July 31, 2025 (\$)	July 31, 2024 (\$)
Expenses		
General and administration (note 4)	7,649	6,544
Professional fees	2,500	205
Transfer agent and filing fees	1,514	1,426
Total expenses	(11,663)	(8,175)
Other items		
Interest income	26	240
Foreign exchange loss	(53)	-
Net loss and comprehensive loss for the period	(11,690)	(7,935)
Loss per share, basic and diluted	(0.00)	(0.00)
Weighted average shares outstanding	8,539,000	8,539,000

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

Shellron Capital Ltd.**Condensed Interim Statements of Changes in Shareholders' Equity (Unaudited)**

(Expressed in Canadian Dollars)



	Share Capital		Reserves	Deficit	Total
	Number of Shares	Amount (\$)			
Balance, May 1, 2024	8,539,000	569,910	65,618	(580,182)	55,346
Net loss for the period	-	-	-	(7,935)	(7,935)
Balance, July 31, 2024	8,539,000	569,910	65,618	(588,117)	47,411
Balance, May 1, 2025	8,539,000	569,910	65,618	(639,923)	(4,395)
Net loss for the period	-	-	-	(11,690)	(11,690)
Balance, July 31, 2025	8,539,000	569,910	65,618	(651,613)	(16,085)

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

Shellron Capital Ltd.**Condensed Interim Statements of Cash Flows (Unaudited)**

(Expressed in Canadian Dollars)



	Three Months Ended	
	July 31, 2025 (\$)	July 31, 2024 (\$)
Operating Activities		
Net loss for the period	(11,690)	(7,935)
Changes in non-cash working capital:		
Receivables	(131)	1,169
Prepaid expenses	(5,000)	5,000
Accounts payable and accrued liabilities	(6,684)	(3,678)
Cash used in operating activities	(23,505)	(5,444)
Financing Activities		
Advance received related to Qualifying Transaction (note 8)	25,000	-
Cash from financing activities	25,000	-
Increase (decrease) in cash	1,495	(5,444)
Cash, beginning of period	6,675	48,485
Cash, end of period	8,170	43,041

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 8.

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 three months ended July 31, 2025, the Company has no business operations and incurred negative cash flow from operations of \$23,505 (2024 - \$5,444). As at July 31, 2025, the Company had an accumulated deficit of \$651,613 (April 30, 2025 - \$639,923). 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

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements have been prepared using the same accounting policies and methods of computation as the most recent annual financial statements for the year ended April 30, 2025.

Changes in Accounting 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.

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

Authorized - unlimited common shares without par value.

As at July 31, 2025, the Company had 8,539,000 (April 30, 2025 - 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.

Shellron Capital Ltd.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Three Months Ended July 31, 2025

(Expressed in Canadian Dollars, except where noted)


3. Share Capital – continued

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

	Number of Options	Weighted Average Exercise Price (\$)
Balance, April 30, 2024	725,000	0.10
Cancelled	(100,000)	0.10
Balance, April 30 and July 31, 2025	625,000	0.10

Additional information regarding the Company's share options as at July 31, 2025, is as follows:

Exercise Price (\$)	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	375,000	0.79	375,000	0.79
0.10	250,000	1.37	250,000	1.37
	625,000	2.16	625,000	2.16

The fair value of each share option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares or an applicable comparable company, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate.

(c) Loss per Share

	Three Months Ended	
	July 31, 2025 (\$)	July 31, 2024 (\$)
Basic loss per share	(0.00)	(0.00)
Diluted loss per share	(0.00)	(0.00)
Net loss for the period	(11,690)	(7,935)

Shellron Capital Ltd.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Three Months Ended July 31, 2025

(Expressed in Canadian Dollars, except where noted)

**3. Share Capital – continued**

	Three Months Ended	
	July 31, 2025	July 31, 2024
Shares outstanding, beginning of period	8,539,000	8,539,000
Basic weighted average number of shares outstanding	8,539,000	8,539,000
Effect of dilutive share options	-	-
Diluted weighted average number of shares outstanding	8,539,000	8,539,000

As at July 31, 2025, there were 625,000 (July 31, 2024 – 725,000) share options that were potentially dilutive but not included in the diluted loss per share calculation as the effect would be anti-dilutive.

(d) Reserves*Share Options*

The share options reserves records items recognized as share-based compensation expense and other share-based payments until such time that the share options are exercised, at which time the corresponding amount will be transferred to share capital.

4. Related Party Transactions

During the three months ended July 31, 2025, the Company incurred general and administration fees of \$3,000 (July 31, 2024 - \$2,000) to the Interim Chief Executive Officer of the Company.

5. Segmented Disclosure

The Company has one reportable business segment, being the completion of a Qualifying Transaction. All assets are held in Canada.

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 July 31, 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 payable and accrued liabilities on the statement of financial position equal their contractual cash flows.

6. Financial Instruments and Risk Management – continued**(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 July 31, 2025 and April 30, 2025, 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.

Financial Instrument	Measurement Method	Associated Risks	Fair value at July 31, 2025 (\$)
Cash	FVTPL ¹ (Level 1)	Credit and currency	8,170
Accounts payable and accrued liabilities	Amortized cost	Currency	(5,373)
			2,797

¹Fair value through profit or loss

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.

8. 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.

Upon the execution of the definitive agreement for the Transaction, SPX agreed to provide a non-refundable advance to Shellron of \$50,000 (the “Advance”), of which \$25,000 was deposited on July 15, 2025.