

P R E S S R E L E A S E

For Release

October 10, 2023
Regina, Saskatchewan

PROTON CAPITAL ANNOUNCES PROPOSED BROKERED PUBLIC OFFERING OF COMMON SHARES

PROTON CAPITAL CORP. (“Proton” or the “Corporation”) (PTN.P-TSX-V), a capital pool company under the rules of the TSX Venture Exchange (the “TSXV”) is pleased to announce that it has entered into an engagement letter with iA Private Wealth Inc. (the “Agent”) for a brokered public offering (the “Offering”) of up to 100,000,000 common shares in the capital of the Corporation (each a “Common Share”) at a price of \$0.40 per Common Share, for gross proceeds of up to \$40,000,000. The Offering is being conducted in connection with the Corporation’s proposed “Qualifying Transaction” within the meaning of TSXV Policy 2.4 – *Capital Pool Companies* as previously announced in its news releases dated April 20, 2023, July 26, 2023, August 31, 2023 (the “Qualifying Transaction”). It is anticipated that the Offering will close in tranches and that the first closing of the Offering will occur concurrently with the closing of the Qualifying Transaction.

The Agent has been engaged to act as the sole agent and bookrunner for the Offering, under which Common Shares will be offered for sale to investors on a “best efforts” basis. The Common Shares will be offered under a long form prospectus of the Corporation (the “Prospectus”) to be prepared and filed in each of the provinces of Canada, other than Quebec.

Pursuant to the engagement letter, the Corporation intends to grant the Agent an option (the “Over-Allotment Option”) to cover over-allotments and for market stabilization purposes, exercisable at any time up to 30 days subsequent to the closing of the Offering, to purchase up to an additional 15% of Common Shares, pursuant to the Offering, on the same terms and conditions of the Offering.

The consideration payable to the Agent in respect of the Offering will be comprised of a cash commission equal to 6% of the gross proceeds of the Offering. The Corporation is entitled to designate certain subscribers to be included in the Offering (the “President’s List”). The cash commission payable for President’s List orders will be reduced to 3% and there will be no cash commission payable in respect of certain designated funds agreed to between the Corporation and the Agent. The Agent will also receive a work fee in the amount of \$50,000, plus applicable taxes, for providing advisory and other services to Proton.

Assuming that closing of the Qualifying Transaction occurs, the net proceeds from the sale of the Common Shares is expected to be used for the expenses of the Qualifying Transaction, and thereafter, for further acquisitions by Proton of PharmaChoice Canada bannered pharmacies, acquisitions of other independently owned pharmacies, for sales, general and administrative costs, and for general corporate purposes.

Copies of the Prospectus, following filing thereof, may be obtained on SEDAR+ at www.sedarplus.ca under the Corporation’s profile and from iA Private Wealth Inc., 219 – 2nd Ave South, Saskatoon, SK S7K 1K8. The Prospectus will contain important detailed information about the Corporation, the Qualifying Transaction and the proposed Offering. Prospective investors should read the Prospectus and the other documents the Corporation has filed under its issuer profile on SEDAR+ before making an investment decision.

There can be no assurance as to whether or when the Offering may be completed, or as to the actual size or terms of the Offering. Completion of the Offering will be subject to the receipt of all necessary regulatory approvals, including the approval of the TSXV and other customary conditions.

Other Information and Halt

Completion of the Qualifying Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and, if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the Qualifying Transaction cannot close until the required shareholder approval is obtained.

There can be no assurance that the Qualifying 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 Qualifying Transaction, any information released or received with respect to the Qualifying 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 TSXV has in no way passed upon the merits of the proposed Qualifying Transaction and has neither approved nor disapproved the contents of this news release.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

The securities referred to in this news release have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person unless they are registered under the United States Securities Act of 1933, as amended, and any applicable state securities laws, or an applicable exemption from the such U.S. registration requirements is available. This news release does not constitute an offer for sale of securities, nor a solicitation for offers to buy any securities. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the company and management, as well as financial statements.

In accordance with the policies of the TSXV, the Common Shares of Proton are currently halted from trading and will remain halted until further notice.

About Proton Capital Corp.

Proton was incorporated on September 1, 2021 by certificate of incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta). Proton is classified as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the TSXV. The principal business of Proton is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a “**qualifying transaction**” as defined under TSXV policies. Proton’s shares trade on the TSXV under the trading symbol: PTN.P

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

Forward-Looking Information: This news release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. In particular, this news release contains forward-looking information in relation to: the proposed Offering, including the size of the Offering, the completion of the Offering, the use of proceeds of the Offering, the filing of the prospectus, and the potential exercise of the Over-Allotment Option; and the proposed Qualifying Transaction, including the completion of the proposed Qualifying Transaction. This forward-looking information reflects Proton’s current beliefs and is based on information currently available to Proton and on assumptions Proton believes are reasonable. These assumptions include, but are not limited to: the completion of the Offering; the closing of the proposed Qualifying Transaction; the completion of satisfactory due diligence by Proton in relation to proposed Qualifying Transaction; the receipt of all required approvals for the proposed Qualifying Transaction and Offering, including TSXV acceptance and any board or shareholder approvals or third party consents; and market acceptance of the proposed Qualifying Transaction and Offering. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Proton to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board of directors, third party or regulatory approvals; competition; changes in legislation, including environmental legislation, affecting Proton; the timing and availability of external financing on acceptable terms; conclusions of economic evaluations and appraisals; lack of qualified, skilled labour or loss of key individuals; risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, mandatory vaccination policies, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in Proton’s disclosure documents on the SEDAR+ website at www.sedarplus.ca. Although Proton has attempted to identify important risks and factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of Proton as of the date of this news release and, accordingly, is subject to change after such date. However, Proton expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.