



Shane Resources Ltd. Announces Execution of Business Combination Agreement with Empatho Corp.

TORONTO, ONTARIO, CANADA, November 1, 2021 /EINPresswire.com/ -- Shane Resources Ltd. ("Shane" or the "Company") is pleased to announce that it has entered into a definitive business combination agreement (the "Business Combination Agreement") with Empatho Corp. ("Empatho"), dated October 29, 2021, pursuant to which the parties have agreed to complete a business combination involving a "three-cornered" amalgamation of Empatho with a wholly-owned subsidiary of Shane ("Subco") that will have the effect of Shane acquiring all of the issued and outstanding common shares (the "Empatho Shares") and other securities of Empatho in exchange for securities in Shane, and resulting in the reverse takeover of Shane by Empatho (the "Proposed Transaction"). A copy of the Business Combination Agreement will be made available on Shane's SEDAR profile at www.sedar.com.

Empatho is a virtual well-being firm with offices in Toronto and Ottawa, focused on a smart solution powered by proprietary PsychAI™ artificial intelligence (AI), that strategically guides users to achieve well-being goals. Empatho provides a data-driven platform using advanced technology to engage individuals in the management of their own health, helping individuals become more productive and uncovering unprecedented efficiencies and cost savings for employers. Upon closing of the Proposed Transaction (the "Closing"), Shane will adopt the business of Empatho and change its name to "Empatho Holdings Inc." or such other name as determined by Empatho.

It is a condition to Closing that the resulting issuer (the "Resulting Issuer") obtain conditional approval to list its common shares (the "Resulting Issuer Shares") on the Canadian Securities Exchange (the "CSE"). In connection therewith, Shane expects to file a Form 2A Listing Statement (the "Listing Statement") with the CSE, in accordance with the policies of the CSE.

The Proposed Transaction

The execution of the Business Combination Agreement follows the execution by the parties of a non-binding letter of intent that was previously announced in Shane's news releases dated April 9, 2021 and October 19, 2021.

In accordance with the terms of the Business Combination Agreement, the Proposed Transaction will be structured as a "three-cornered amalgamation" involving Shane, Subco and Empatho. In

connection with Closing, it is expected that, among other things:

- Shane will consolidate all of its issued and outstanding common shares (the "Shane Shares") based on a ratio of one (1) post-consolidation Shane Share for every 6.15099 pre-consolidation Shane Shares (the "Share Consolidation");
- Empatho and Subco will be amalgamated under the Canada Business Corporations Act (the "Amalgamation") and the resulting amalgamated entity ("Amalco") will become a wholly-owned subsidiary of Shane;
- Each Empatho Share will be cancelled, and the former holders of Empatho Shares will receive one (1) Resulting Issuer Share for each Empatho Share held by them;
- Other securities of Empatho (including warrants that are exercisable into Empatho Shares) will be cancelled, and the former holders of such securities will receive economically equivalent securities of the Resulting Issuer;
- The Resulting Issuer will have obtained conditional approval of the CSE for the listing on the CSE of the Resulting Issuer Shares, as required by CSE policies; and
- The Resulting Issuer will be renamed "Empatho Holdings Inc.", or such other name as determined by Empatho.

The non-diluted, pro forma ownership of the Resulting Issuer is expected to be approximately 71.59% former Empatho shareholders, 11.06% Shane shareholders, and 17.35% subscription receipt holders of Empatho, as disclosed in the Company's news release dated June 30, 2021.

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to, the following:

- The representations and warranties of Empatho and Shane contained in the Business Combination Agreement will be true and correct on the date that a certificate of amalgamation is issued by the Director of the CBCA to effect the Amalgamation (the "Effective Date");
- No material adverse change in respect to Empatho, Subco or Shane shall have occurred since the date of the Business Combination Agreement;
- The holders of Empatho Shares (the "Empatho Shareholders") shall have approved the special resolutions of the Empatho Shareholders authorizing and approving the Amalgamation;
- The directors and officers of Shane and Subco shall have tendered their resignations and provided mutual releases, and the board of directors of Shane shall have been reconstituted to consist of the nominees of Empatho;
- The Share Consolidation shall have become effective;
- Shane shall have completed the continuance of Shane under the Business Corporations Act (British Columbia); and
- The Resulting Issuer Shares shall have been conditionally approved for listing on the CSE.

Proposed Management of the Resulting Issuer:

Upon completion of the Proposed Transaction, it is proposed that the following individuals will

form the board of directors and executive team of the Resulting Issuer:

Rakesh Jetly - Director

Hugh Colin MacKay - Director

Andre Peschong - Director

Carl Castro - Director

Todd Heinzl - Chief Strategic Officer

Yan Namer - Chief Executive Officer and Corporate Secretary

John Ross - Chief Financial Officer

Hamid Boland - Chief Technical Officer

Joshua Granek - Chief Scientific Officer

Further information regarding these individuals, including their bios, is included in the management information circular of Shane dated September 15, 2021 (the "Shane Circular") and will be included in the Listing Statement.

The Shane Circular, which is available under Shane's SEDAR profile at www.sedar.com, contains further information with respect to the matters that were approved at the Shane Shareholder Meeting.

Investors are cautioned that, except as will be disclosed in the Listing Statement, 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 Shane should be considered highly speculative.

Further details of the Proposed Transaction will be included in the Listing Statement and in subsequent news releases and other public filings.

For more information please contact:

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Yan Namer

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All information contained in this news release with respect to Empatho was supplied by Empatho for inclusion herein and the Company has relied on the accuracy of such information without independent verification.

As noted above, completion of the Proposed Transaction is subject to a number of conditions, including conditional approval of the listing of the Resulting Issuer Shares on the Canadian Securities Exchange. 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 listing statement of the Company 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 Shane should be considered highly speculative.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities under the Empatho Financings in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Forward-Looking Information and Statements

This news release contains "forward-looking statements" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements.

Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding: the Company's ability to complete the Proposed Transaction; the ability of the Resulting Issuer to carry out the business of Empatho; the ability of the Company to effect a consolidation on the terms contained herein; the ability of the Company to effect a name change; the ability of Empatho and the Company to file a listing statement; and the Company's ability to achieve a listing on the CSE.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Company's ability to continue as a going concern; the Company's ability to continue to develop revenue-generating applications; continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the continued growth of the Company; the Company's ability to finance the infrastructure upgrades; the Company's ability to effectively scale-up its mining activities; and the ability of the Company to fulfil the listing requirements of the CSE.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or

implied by such statements, including but not limited to: the potential inability of the Company to continue as a going concern; risks associated with potential governmental and/or regulatory action with respect to the Company's operations; the Company's inability to complete the Proposed Transaction; the inability of the Resulting Issuer to carry out the business of Empatho; the inability of the Company to effect a consolidation on the terms contained herein; the inability of the Company to effect a name change; the ability of Empatho and the Company to file a listing statement; and the risks associated with the Company's ability to meet CSE listing guidelines.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-lo

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