
NEWS RELEASE

RAILTOWN CAPITAL CORP.

*108 - 329 Main Street
Vancouver, B.C. V6A 2S9*

PROPOSED TRANSACTION WITH CONATION CAPITAL CORP.

Vancouver, BC – January 28, 2016- Railtown Capital Corp. (“**Railtown**” or the “**Company**”) announces that it has entered into an amalgamation agreement (the “**Amalgamation Agreement**”) with Conation Capital Corp. (“**Conation**”), a private company in the business of investing in early stage companies. Pursuant to the Amalgamation Agreement, Conation and the Company will amalgamate into one company, to be called “Conation Capital Corp.” (the “**Resulting Issuer**”) (hereafter, the “**Proposed Transaction**”).

Pursuant to the Amalgamation Agreement, each common share of the Company will be exchanged for 0.16667 of one common share of the Resulting Issuer and all outstanding stock options of the Company will be cancelled prior to the effective time of the amalgamation.

It is a condition to completion of the Proposed Transaction that Conation complete a private placement of a minimum of 3,400,000 units and a maximum of 6,000,000 units at a price of \$0.25 per unit, for aggregate minimum proceeds of \$850,000 and maximum proceeds of \$1,500,000 (the “**Conation Private Placement**”). Each unit will consist of one common share of Conation and one half of a Conation share purchase warrant, with each whole warrant being exercisable for one Conation common share at \$0.40 for 18 months following the closing of the Private Placement. Pursuant to the Amalgamation Agreement, all of the outstanding securities of Conation (including any securities issued pursuant to the Conation Private Placement), will be exchanged for securities of the Resulting Issuer on a one-for-one basis.

It is also a condition to completion of the Proposed Transaction that the Resulting receive conditional approval to list its common shares on the TSX-Venture Exchange. The Company will provide further information on the Proposed Transaction as it becomes available.

**ON BEHALF OF THE BOARD OF
RAILTOWN CAPITAL CORP.**

“Jason Moreau”

JASON MOREAU
Director

This news release contains forward-looking statements relating to the timing and completion of the Proposed Transaction, the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "intends", "anticipates", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the Proposed Transaction and the future plans and objectives of the Company, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from

those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are risks detailed from time to time in the filings made by the Company with securities regulators.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. As a result, the Company cannot guarantee that the Proposed Transaction will be completed and that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. 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. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will only update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.