



*****NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES.*****

NEWS RELEASE

RAILTOWN TECHNOLOGIES INC. ANNOUNCES \$1.5 MILLION NON-BROKERED PRIVATE PLACEMENT

Vancouver, BC – June 7, 2023 - Railtown AI Technologies Inc. (CSE: RAIL) (“Railtown” or the “Company”) is pleased to announce a non-brokered private placement of up to 10,000,000 units of the Company (each, a “Unit”) at a price of \$0.15 per Unit for aggregate gross proceeds of up to \$1,500,000 (the “Offering”). Each Unit will consist of one common share in the capital of the Company (each, a “Share”) and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will entitle the holder thereof to acquire one additional Share at an exercise price of \$0.25 per Share for a period of 36 months from the closing date of the Offering.

The Offering is being completed pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 *Prospectus Exemptions* (the “**LIFE Exemption**”). Any securities issuable under the LIFE Exemption will not be subject to a hold period in accordance with applicable Canadian securities laws.

In connection with up to \$300,000 of the Offering, the Company may pay eligible finders (each, a “**Finder**”) a cash commission equal to 8% of the gross proceeds raised from purchasers introduced by such Finders and/or issue to such Finders that number of non-transferable common share purchase warrants (each, a “**Finder’s Warrant**”) equal to 8% of the number of Units sold to purchasers introduced by such Finders. Each Finder’s Warrant will entitle the holder thereof to acquire one Share at an exercise price of \$0.15 per Share for a period of 36 months from the date of issuance. In addition, the Company may pay a flat referral fee to certain Finders.

Both the Warrants and the Finder’s Warrants will be subject to acceleration such that if, during a period of 10 consecutive trading days prior to their respective expiry dates, the daily volume-weighted average trading price of the Shares on the Canadian Securities Exchange (the “**CSE**”) or such other stock exchange where the majority of the trading volume occurs, exceeds \$0.50 for each of those 10 consecutive days, the Company may, within 30 days of such an occurrence, give written notice to the holders of the Warrants and the Finder’s Warrants that the securities will expire at 5:00 p.m. (Vancouver time) on the 30th day following the giving of notice unless exercised by the holders prior to such date. Any Warrants or Finder’s Warrants which remain unexercised at 5:00 p.m. (Vancouver time) on the 30th day following the giving of such notice will expire at that time.

There is an offering document related to the Offering that can be accessed under the Company’s profile at www.sedar.com. Prospective purchasers should read this offering document before making an investment decision.

The Company intends to use the proceeds raised from the Offering to accelerate the commercialization of its software platform and for general corporate and working capital purposes. The Offering may close in tranches, with the first tranche expected to close on or around June 19, 2023. The Offering is subject to certain conditions including, but not limited to, receipt of all necessary approvals including the approval of the CSE.

None of the securities referenced in this news release have been or will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any applicable state securities laws and

may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) or persons in the United States absent registration or an applicable exemption from such registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ABOUT RAILTOWN AI TECHNOLOGIES INC.

Railtown is a Generative AI company providing AI solutions for software development. The Company is automating the role of software engineers with its AI Co-Pilot. The AI Co-Pilot is an AI powered assistant that can take on all of the mundane and repetitive tasks that take up most of a developer's time. The AI Co-Pilot will drive down costs and improve the productivity of the engineers, while improving the stability, reliability, and security of the resulting software.

INVESTOR CONTACT

Rebecca Kerswell, Vice President, Marketing and Communications

Email: rebecca@railtown.ai

This news release contains forward-looking statements relating to 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 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.

Readers are 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 any forward-looking statement will materialize, and readers should not 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.