CENTAURUS

CENTAURUS ENERGY INC.

MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS
TO BE HELD ON FEBRUARY 26, 2025

JANUARY 24, 2025

*Neither the TSX Venture Exchange Inc. (the "**Exchange**") nor any securities regulatory authority has in any way passed upon the merits of the change of business described in this management information circular.*

CENTAURUS ENERGY INC.
#1250, 639 – 5TH Avenue S.W.
Calgary, AB T2P 0M9

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NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the shareholders of Centaurus Energy Inc. (the "**Company**"), to be held online at https://zoom.us/j/97885573110?pwd=VkaxJRRCvR1j00Gz6yYTaQZSFIF6MG.1**,** on February 26, 2025, at 11:00 AM (Mountain time), for the following purposes:

1. to receive the audited financial statements of the Company (i) for the fiscal year ended December 31, 2022 and (ii) for the fiscal year ended December 31, 2023, in each case together with the auditors' report thereon;

2. to fix the number of directors at three (3) for the ensuing year;

3. to elect directors for the ensuing year as described in the information circular (the "**Information Circular**") accompanying this notice of annual and special meeting of shareholders (the "**Notice of Meeting**");

4. to re-appoint Gallo LLP, Chartered Professional Accountants as the Company's auditors for the ensuing fiscal year at a remuneration to be fixed by the directors;

5. to consider, and if thought fit, approve an ordinary resolution, the full text of which is set forth in the Information Circular, approving the stock option plan of the Company;

6. to consider and, if thought fit, to pass an ordinary resolution, the full text of which is set forth in the Information Circular, approving the change of business of the Company from a Tier 2 Oil & Gas Issuer to a Tier 2 Investment Issuer, pursuant to Policy 5.2 – Changes of Business and Reverse Takeovers of the TSX Venture Exchange, all as more particularly described in the accompanying Information Circular;

7. to consider and, if thought fit, to pass a special resolution, the full text of which is set forth in the Information Circular, retroactively approving a share purchase transaction which occurred on February 7, 2023, entered into between the Company and Gasener S.R.L., whereby Gasener S.R.L. purchased 100% of the issued and outstanding shares of Madelena Ventures International Inc. held by the Company, for cash consideration of USD $20,000;

8. to consider and, if thought fit, to pass a special resolution, the full text of which is set forth in the Information Circular, approving the change of the name of the Company from "Centaurus Energy Inc." to "Layer One Inc."; and

9. to transact such further or other business as may properly come before the Meeting and any adjournments thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Information Circular. Shareholders may virtually attend, participate and vote at the Meeting in real time. See the instructions in the Information Circular for further information. Even if shareholders currently plan to participate in the virtual Meeting, shareholders are encouraged to vote their shares in advance so that your vote will be counted at the meeting.

The audited consolidated financial statements and related management's discussion and analysis for the Company (i) for the fiscal year ended December 31, 2022 and (ii) for the fiscal year ended December 31, 2023, are available upon request to the Company or they can be found on SEDAR+ at www.sedarplus.ca.

The Board of Directors of the Company has by resolution fixed the close of business on January 13, 2025 as the record date for the Meeting, being the date for the determination of the registered holders of common shares of the Company entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, the Corporate Secretary of the Company, c/o Odyssey Trust Company, Trader's Bank Building, Suite 702, 67 Yonge St. Toronto, ON M5E 1J8 Attention: Proxy Department, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

DATED at Calgary, Alberta, this 24th day of January, 2025.

BY ORDER OF THE BOARD

"David D. Tawil"

David D. Tawil
Chief Executive Officer

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GLOSSARY OF TERMS

The following is a glossary of certain defined terms used frequently throughout this Information Circular. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. Certain additional terms are defined within the body of this Information Circular and in such cases will have the meanings ascribed thereto.

"**$**" means Canadian dollars;

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**Affiliate**" means a company that is affiliated with another company as described below:

A company is an "Affiliate" of another company if:

a) one of them is the subsidiary of the other, or

b) each of them is controlled by the same Person.

A company is "controlled" by a Person if:

a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and

b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

a) a company controlled by that Person, or

b) an Affiliate of that Person or an Affiliate of any company controlled by that Person. shall have the meaning ascribed thereto in the policies of the Exchange;

"**Arm's Length Transaction**" means a transaction which is not a Related Party Transaction;

"**Associate**" when used to indicate a relationship with a Person, means:

a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,

b) any partner of the Person,

c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity,

d) in the case of a Person, who is an individual:

i. that Person's spouse or child, or

ii. any relative of the Person or of his spouse who has the same residence as that Person;

but

e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company;

"**Board**" means the board of directors of the Company;

"**CASE**" means the Coirón Amargo Sur Este hydrocarbons area, located in the Province of Neuquén in Argentina;

"**Change of Business Resolutions**" means the resolutions to be considered for approval at the Meeting approving the Proposed Change of Business;

"**Closing Date**" means February 7, 2023, the date of closing of the Gasener Transaction;

"**Common Shares**" means the common shares in the capital of the Company;

"**Company**" means Centaurus Energy Inc.;

"**Compensation Securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

"**Exchange**" means the TSX Venture Exchange;

"**Financing**" means the Company's intention to borrow, by way of a loan agreement, an amount of up to USD $25,000,000, pursuant to the following terms: at an interest rate of 7.00% per year calculated and payable monthly, in cash or payment in kind, maturing on or around February, 2028, secured by the grant of a security interest against the Ether and SOL purchased by the Company with the loan proceeds

"**Gasener**" means Gasener S.R.L., the purchaser in the Gasener Transaction which acquired 100% of the issued and outstanding MVI Shares held by the Company;

"**Gasener Transaction**" means the transaction which occurred on the Closing Date, whereby pursuant to a share purchase agreement entered into between the Company and Gasener, Gasener

purchased 100% of the issued and outstanding shares of MVI held by the Company, for cash consideration of USD $20,000;

"**Information Circular**" means this management information circular dated January 24, 2025 in respect of the Meeting;

"**Insider**" if used in relation to the Company, means:

a) a director or senior officer of the Company;

b) a director or senior officer of the Company that is an insider or subsidiary of the Company;

c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the Company; or

d) the Company itself if it holds any of its own securities;

"**Investment Policy**" means the investment policy of the Company to govern its investment activities, in the form set forth in Schedule F of this Information Circular;

"**Meeting**" means the annual general and special meeting of the Shareholders to be held on February 26, 2025, and all adjournments thereof;

"**Meeting Materials**" means the Notice of Meeting, this Information Circular, the form of proxy for the Meeting and other Meeting materials, if applicable;

"**MEA**" means Madalena Energy Argentina S.R.L., whose issued and outstanding shares are entirely held by MVI;

"**MVI**" means Madelena Ventures International Inc., the sole shareholder of MEA;

"**MVI Shares**" means 100% of the issued and outstanding shares in the capital of MVI, purchased from the Company by Gasener in the Gasener Transaction;

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

a) a "**CEO**", being an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

b) a "**CFO**" being an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually,

more than $150,000 as determined in accordance with applicable securities laws; and

d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year;

"**NOBOs**" means non-objecting beneficial holders;

"**Non-Arm's Length Party**" means in relation to a company, a promoter, officer, director, other Insider or Control Person of that Company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person;

"**OBOs**" means objecting beneficial holders;

"**PAE**" means Pan American Energy, S.R.L., Argentine branch;

"**PAE ORRI**" means the overriding royalty interest on the net proceeds from the 29% interest in CASE that the Company assigned to PAE, which interest is payable by PAE in semi-annual installments, along with other considerations totaling USD 16.83 million (as of the effective date of January 1, 2021);

"**Person**" means either a company, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual;

"**Proposed Change of Business**" means the change of business proposed to be effected by the Company under Policy 5.2 – Changes of Business and Reverse Takeovers of the TSXV from a Tier 2 Oil & Gas Issuer to a Tier 2 Investment Issuer;

"**Record Date**" means January 13, 2025;

"**Registered Shareholder**" means a shareholder of the Company in respect of which the Common Shares held by such shareholder are registered in the shareholder's name;

"**Related Party Transaction**" has the meaning ascribed to that term in Exchange Policy 5.9, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non Arm's Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction; and

"**Shareholders**" means the holders of the Common Shares.

FORWARD-LOOKING INFORMATION

This Information Circular contains forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements are provided to help shareholders understand the Company's views of its plans, expectations, and prospects. The Company cautions that forward-looking statements may not be appropriate for other purposes. Forward-looking statements include statements about the Company's business outlook, strategy, plans, and future operating performance. Such statements are identified by words or phrases such as “expects,” “anticipates,” “believes,” “plans,” “projects,” “estimates,” “assumes,” “intends,” “will,” “should,” “might,” or variations thereof and include, but are not limited to:

- the Company's ability to execute the Proposed Change of Business;
- the completion and timing of the Financing;
- the Company's plans regarding digital asset investments and staking activities;
- expected returns from staking activities;
- future PAE ORRI payments;
- appointment of additional directors;
- implementation of operational infrastructure and security protocols;
- achievement of stated business objectives and milestones;
- future regulatory environment for digital assets; and
- potential expansion into other Layer-1 cryptocurrencies.

These forward-looking statements reflect the Company's current views and are based on certain material assumptions and factors, including:

- the structure and timing of the Proposed Change of Business;
- receipt of shareholder and Exchange approval;
- completion of the Financing on stated terms;
- future market prices of digital assets;
- regulatory environment remaining favorable;
- successful implementation of security and operational protocols;
- continued receipt of PAE ORRI payments;
- general economic and industry conditions; and

- the Company's ability to attract qualified directors and personnel.

Forward-looking statements involve numerous risks and uncertainties that could cause actual results to differ materially, including:

- failure to obtain required approvals for the Proposed Change of Business;
- inability to complete the Financing;
- volatility in digital asset prices;
- technical risks related to digital asset custody and staking;
- changes in regulatory frameworks;
- cybersecurity threats;
- competition in the digital asset industry;
- economic and market conditions;
- foreign exchange fluctuations;
- changes in PAE ORRI payment amounts or timing;
- network upgrades and technical challenges;
- tax-related risks; and
- internal control risks.

This list is not exhaustive. All forward-looking statements are based on management's beliefs, expectations, and opinions as of January 24, 2025. Except as required by law, the Company assumes no obligation to update forward-looking statements if circumstances or management's beliefs, expectations, or opinions change.

SUMMARY

The following is a summary of information related to the Company and should be read together with the more detailed information contained elsewhere in this Information Circular, including the schedules, which are incorporated herein and form part hereof.

The Company

The Company is a reporting issuer in each of the Provinces of Canada. The Common Shares are listed on the Exchange under the symbol "CTA". See "*Particulars of Matters to be Acted upon - 6. PROPOSED CHANGE OF BUSINESS – Background to the Proposed Change of Business*" for further information.

Meeting

The Meeting will be held online at https://zoom.us/j/97885573110?pwd=VkaxJRRCvR1j00Gz6yYTaQZSFIF6MG.1, on February 26, 2025, at 11:00 AM (Mountain time), for the following purposes:

1. to receive the audited financial statements of the Company (i) for the fiscal year ended December 31, 2022 and (ii) for the fiscal year ended December 31, 2023, in each case together with the auditors' report thereon;

2. to fix the number of directors at three (3) for the ensuing year;

3. to elect directors for the ensuing year as described in the information circular (the "**Information Circular**") accompanying this notice of annual and special meeting of shareholders (the "**Notice of Meeting**");

4. to re-appoint Gallo LLP, Chartered Professional Accountants as the Company's auditors for the ensuing fiscal year at a remuneration to be fixed by the directors;

5. to consider, and if thought fit, approve an ordinary resolution, the full text of which is set forth in the Information Circular, relating to the approval of the stock option plan of the Company;

6. to consider and, if thought fit, to pass an ordinary resolution, the full text of which is set forth in the Information Circular, approving the change of business of the Company from a Tier 2 Oil & Gas Issuer to a Tier 2 Investment Issuer, pursuant to Policy 5.2 – Changes of Business and Reverse Takeovers of the TSX Venture Exchange, all as more particularly described in the accompanying Information Circular;

7. to consider and, if thought fit, to pass a special resolution, the full text of which is set forth in the Information Circular, retroactively approving the Gasener Transaction;

8. to consider and, if thought fit, to pass a special resolution, the full text of which is set forth in the Information Circular, approving the change of the name of the Company from "Centaurus Energy Inc." to "Layer One Inc."; and

9. to transact such further or other business as may properly come before the Meeting and any adjournments thereof.

Security Holder Approval

In order to be effective, (i) the Change of Business Resolutions and the Gasener Transaction Resolutions must be approved by a majority of the votes attaching to the Common Shares represented by the Shareholders present at the Meeting in person or by proxy and (ii) the Change of Name Resolutions must be approved by a two-thirds majority of the votes attaching to the Common Shares represented by the Shareholders present at the Meeting in person or by proxy. See "*Particulars of Matters to be Acted upon*".

Arm's Length Transaction

The Proposed Change of Business is an Arm's Length Transaction, as the Proposed Change of Business is not being conducted in connection with a transaction. The Gasener Transaction is an Arm's Length Transaction, as it is not a Related Party Transaction, and Gasener is an arm's length party to the Company.

Reasons for the Change of Business

The Company is proposing to seek shareholder approval of the Proposed Change of Business for the following reasons:

1. it will confirm the natural evolution in the business of the Company over the past year to incorporate investments of the PAE ORRI in Ether and other digital commodities representing a "base" or Layer 1 blockchain, such as Solana, Ripple, Cardano or Avalanche as its primary treasury reserve assets;

2. it is supported by management's experience in the digital commodity sector, and the Company's strategy of developing integration across such sector;

3. it will provide greater flexibility to the Company to deploy funds from its residual oil and gas interests, and to acquire other prospective investments; and

4. it will provide more options for the Company to continue to create value for its Shareholders on a going forward basis.

Available Funds

The following table summarizes the total funds available to the Company after giving affect to the Proposed Change of Business during the 12 months following the date of this Information Circular, as described in more detail in this Information Circular (see "*Particulars of Matters to be Acted upon - 6. PROPOSED CHANGE OF BUSINESS*"):

Source of Funds	Amount (in USD)
Proceeds of PAE ORRI	$700,000
Working Capital	-$4,815,000
Financing	$25,000,000
Total	$20,885,000

The following table summarizes approximate expenditures anticipated by the Company as required to achieve its business objectives during the 12 months following the date of this Information Circular, as described in more detail in this Information Circular (see "*Particulars of Matters to be Acted upon - 6. PROPOSED CHANGE OF BUSINESS*"):

Use of Funds	Amount (in USD)
Allocated to future investments	$20,000,000
General and administrative expenses of the Company	$384,000
Unallocated	$501,000
Total	$20,885,000

Market Price of Securities

On January 24th, 2025, the market price for the Common Shares was $5.350.

Conflicts of Interest

Management of the Company and the Board have identified no conflicts of interest for the Proposed Change of Business.

Interest of Experts

Gallo LLP, Chartered Accountants are the Company's independent auditor and they are independent with respect to the Company within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Alberta.

As at the date of this Information Circular, the partners and associates of Osler, Hoskin & Harcourt LLP, as a group, beneficially own, directly or indirectly, less than one percent of any class of securities of the Company.

Exchange Approval

The Exchange has conditionally accepted the Proposed Change of Business, Gasener Transaction and Change of Name subject to the Company fulfilling all of the requirements of the Exchange.

Risk Factors	An investment in the Company following completion of the Proposed Change of Business involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Company. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to risk factors such as: (i) the failure of the Exchange to grant final approval of the Proposed Change of Business; (ii) the lack of liquidity of the stock and volatility of the stock price; (iii) changes in applicable law; (iv) risks associated with the potential concentration of investments; (v) dependence on management; (vi) potential conflicts of interest; (vii) risks generally associated with Ether, SOL and blockchain technologies; and (viii) other risk factors set forth herein and in the continuous disclosure filings of the Company from time to time. See "*Particulars of Matters to be Acted upon – 6. PROPOSED CHANGE OF BUSINESS – Risks Related to the Proposed Change of Business*".

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INFORMATION CIRCULAR

(As at January 24, 2025 except as indicated)

CENTAURUS ENERGY INC. (the "**Company**") is providing this information circular (the "**Information Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the annual general and special meeting (the "**Meeting**") of the Company to be held online at https://zoom.us/j/97885573110?pwd=VkaxJRRCvR1j00Gz6yYTaQZSFIF6MG.1, on February 26, 2025, at 11:00 AM (Mountain time) and at any adjournments thereof. You will be able to attend the Meeting, vote and submit your questions during the Meeting via live webcast. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

How to Attend and Vote at the Meeting

Registered Shareholders and proxyholders may attend, participate and vote at the Meeting virtually and in real time. The Meeting will be a virtual-only meeting via live audio and visual webcast available online at:

https://zoom.us/j/97885573110?pwd=VkaxJRRCvR1j00Gz6yYTaQZSFIF6MG.1

Shareholders will have an equal opportunity to participate online in the virtual Meeting regardless of geographic location. However, Shareholders should note that the process for attending and voting at the Meeting is different than it would be if the Meeting were held in person and the instructions contained in this Circular must be followed carefully in order to access and vote at the Meeting. Even if you currently plan to participate in the virtual Meeting, you are encouraged to vote your shares in advance so that your vote will be counted at the meeting.

Before the Meeting, it is recommended that you check that the device you are using to attend the Meeting is compatible with Zoom.

If a Shareholder plans to vote at the Meeting it is important that they remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. You should also allow ample time (and at least 15 minutes) to log into the Meeting online and complete the check-in procedures.

Shareholders (who have not appointed a non-management proxyholder) and proxyholders (including Non-registered holders who have appointed themselves as proxyholder) accessing the Meeting will have an opportunity to ask questions at the Meeting in writing by writing the question in the chat function of the virtual meeting platform. Such questions will be read by the Chair of the Meeting or a designee of the Chair and responded to by a representative of the Company as

they would be at a shareholders' meeting that was being held in person. As at an in-person meeting, to ensure fairness for all attendees, the chair of the Meeting will decide on the amount of time allocated to each question and will have the right to limit or consolidate questions and to reject questions that do not relate to the business of the Meeting or which are otherwise determined to be inappropriate or otherwise out of order, and to limit questions from Shareholders who have submitted multiple questions in order to ensure as many Shareholders as possible will have the opportunity to ask questions.

Registered Shareholder

If you are a Registered Shareholder, you will have been sent a form of proxy. This document will be required in order for you to complete the instructions below, but if you intend to access and vote at the Meeting yourself during the live webcast, do not complete the form of proxy or return it.

Registered Shareholders can access and vote at the Meeting during the live webcast as follows:

1. Join the meeting through the following link:

   https://zoom.us/j/97885573110?pwd=VkaxJRRCvR1j00Gz6yYTaQZSFIF6MG.1

   at least 15 minutes before the Meeting starts. You should allow ample time to check into the virtual Meeting and to complete the related procedures.

2. Enter the following meeting passcode: 625004 and meeting ID: 978 8557 3110 (if required).

3. Check in with the scrutineer.

4. Unmute the call and cast your vote when called upon to vote by the Chair of the Meeting.

Even if you currently plan to participate in the virtual Meeting, you should consider voting your Shares by proxy in advance so that your vote will be counted if you later decide not to attend the Meeting or in the event that you are unable to access the Meeting for any reason. You may revoke your proxy given for use at the Meeting use by following the instructions set out under the heading "*Revocability Of Proxy*".

Non-registered Holders

Non-registered holders who hold their shares through an intermediary or who otherwise do not hold their Shares in their own name can access and vote at the Meeting during the live webcast as follows:

1. Appoint yourself as proxyholder as described below under the heading "*Non-registered Holders*".

2. Join the meeting through the following link:

   https://zoom.us/j/97885573110?pwd=VkaxJRRCvR1j00Gz6yYTaQZSFIF6MG.1

at least 15 minutes before the Meeting starts. You should allow ample time to check into the virtual Meeting and to complete the related procedures.

3. Enter the following meeting passcode: 625004 and meeting ID: 978 8557 3110 (if required).

4. Check in with the scrutineer.

5. Unmute the call and cast your vote when called upon to vote by the Chair of the Meeting.

A Non-registered holder wishing to access the Meeting without voting during the live webcast – for example, because you have provided voting instructions prior to the Meeting or appointed another person to vote on your behalf at the Meeting – should access the Meeting in the same manner as a guest, as set out below.

Proxyholders

If you have been appointed as proxyholder for a Registered Shareholder or a Non-registered holder (or you are a a Non-registered holders who has appointed themselves as proxyholder), you can access and vote at the Meeting during the live webcast as follows:

1. Join the meeting through the following link:

   https://zoom.us/j/97885573110?pwd=VkaxJRRCvR1j00Gz6yYTaQZSFIF6MG.1

   at least 15 minutes before the Meeting starts. You should allow ample time to check into the virtual Meeting and to complete the related procedures.

2. Enter the following meeting passcode: 625004 and meeting ID: 978 8557 3110 (if required).

3. Check in with the scrutineer.

   The Shareholder appointing you as proxyholder must complete and submit the form of proxy (or voting instruction form, as applicable).

4. Unmute the call and cast your vote when called upon to vote by the Chair of the Meeting.

Guests

If you wish to access the Meeting as a guest (or if you are a Beneficial Shareholder wishing to access the Meeting without voting during the live webcast), you can log into the Meeting as set out below. Note that guests will be able to listen to the Meeting but will not be able to vote or ask questions. Please read and follow the instructions below carefully.

1. Join the meeting through the following link:

   https://zoom.us/j/97885573110?pwd=VkaxJRRCvR1j00Gz6yYTaQZSFIF6MG.1

at least 15 minutes before the Meeting starts. You should allow ample time to check into the virtual Meeting and to complete the related procedures.

2. Enter the following meeting passcode: 625004 and meeting ID: 978 8557 3110 (if required).

3. Check in with the scrutineer and note you are a guest.

Difficulties in Accessing the Meeting

Shareholders with questions regarding the virtual meeting portal or requiring assistance accessing the Meeting website can contact David Tawil at davidtawil@ctaurus.com. If you are accessing the Meeting you must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. Note that if you lose connectivity once the Meeting has commenced, there may be insufficient time to resolve your issue before ballot voting is completed. Therefore, even if you currently plan to access the Meeting and vote during the live webcast, you should consider voting your shares in advance or by proxy so that your vote will be counted in the event you experience any technical difficulties or are otherwise unable to access the Meeting.

APPOINTMENT AND PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.

VOTING BY PROXY

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.

At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Corporate Secretary of the Company, c/o Odyssey Trust Company, Trader's Bank Building, Suite 702, 67 Yonge St. Toronto, ON M5E 1J8 Attention: Proxy Department, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only Shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting Materials, being the Notice of Meeting, this Information Circular and the proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting Materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners" ("**NOBOs**"). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("**OBOs**").

In accordance with the requirements of NI 54-101, the Company has elected to send the Meeting Materials directly to NOBOs. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements

from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

The Company does not intend to pay for Nominees to deliver the Meeting Materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting Materials unless their Nominee assumes the costs of delivery.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a shareholder, his or her attorney authorized in writing or, if the shareholder is a Company, a Company under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

INFORMATION CONCERNING THE COMPANY

Corporate Structure

The Company was originally amalgamated under the name "Madalena Ventures Inc." on April 1, 2013 under the *Business Corporations Act* (Alberta). The Company changed its name to "Centaurus Energy Inc." on October 25, 2019.

The Company's registered and head office is located at #1250, 639 – 5th Avenue S.W., Calgary, Alberta, T2P 0M9. The Company's Common Shares were listed on the TSX Venture Exchange on February 16, 2007. The Company's Common Shares are currently listed under the symbol "CTA". The Company has been listed on the Exchange as a Tier 2 Oil & Gas Issuer. The Company is a reporting issuer under applicable securities legislation in British Columbia, Alberta, Ontario, Saskatchewan, Prince Edward Island, Manitoba, New Brunswick, Newfoundland, and Nova Scotia.

Financial Information and Management's Discussion and Analysis

Financial Statements

The financial statements for the three months ended September 30, 2024 and each of the financial years ended December 31, 2023, 2022 and 2021, are available at https://ctaurus.com/. Shareholders may contact the Company at #1250, 639 – 5th Avenue S.W., Calgary, AB T2P 0M9, to request physical copies.

Management's Discussion and Analysis

The Company's management's discussion and analysis for the three-month period ended September 30, 2024 and each of the financial years ended December 31, 2023, 2022 and 2021, are available at https://ctaurus.com/. Shareholders may contact the Company at #1250, 639 – 5th Avenue S.W., Calgary, AB T2P 0M9, to request physical copies.

Interest of Certain Persons in Matters to be Acted upon

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or Affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

Interest of Informed Persons in Material Transactions

No informed person or proposed director of the Company and no Associate or Affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

Voting Securities and Principal Holders Thereof

The Company is authorized to issue an unlimited number of Common Shares without par value, of which 1,088,070 Common Shares were issued and outstanding as of January 13th, 2025 (the "**Record Date**"). Persons who are Registered Shareholders at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company.

Non-Arm's Length Party Transactions

With the exception of the following, the Company has not acquired any assets or services as a result of a transaction completed with a non-arm's length party of the Company within the prior 24 months:

In March 2024, David Tawil, CEO of the Company, entered into a loan agreement with the Company, providing up to USD $1,500,000 of capital, at the greater of: (i) 7% per annum or (ii) 65% of the profits on the corresponding Ether purchased by the Company (the "**Tawil Loan**").

Debt of the Company

On May 8, 2017, the Company entered into a series of agreements (the "**Transactions**") with Hispania Petroleum S.A., ("**Hispania**"), a private, family-owned Spanish energy company and a related party of the Company, where José David Penafiel is a director, which provides for a total package of debt and mezzanine financing of up to $23 million through (i) a working capital loan (the "**Working Capital Loan**") of up to $6.5 million and (ii) a convertible loan of up to $16.5 million (the "**Capex Loan**") for purposes of funding the Company's capital expenditure obligations in the Puesto Morales concession and funding one or more acquisitions of oil and gas assets. The Working Capital Loan and the Capex Loans are each multi-drawdown facility. Interest

accrues at 7% per annum. Principal and interest on each drawdown is repayable thirty-six months after the drawdown.

On April 7, 2019 the Company entered into an amended and restated convertible loan agreement (the "**Amended and Restated Loan Agreement**") with KD Energy International Capital Limited ("**KD Energy**") and Hispania, and extended the term of the Working Capital Loan agreement (the "**Working Capital Loan Agreement**"). The Amended and Restated Loan Agreement was approved on June 5, 2019 by a special meeting of shareholders.

As of September 30, 2024, $0.3 million has been drawn on the Capex Loan and $1.7 million has been drawn on the Working Capital Loan by the Company.

On March 25, 2020, the Corporation announced that Jose Peñafiel and Alejandro Peñafiel had been terminated and had ceased to be officers and directors of the Corporation. On March 27, 2020 the Company announced it had received a notice of default and reservation of rights from KD Energy and Hispania.

KD Energy International Capital Limited, Jose David Penafiel, Alejandro Augusto Penafiel, and Totisa Holdings S.A. v Centaurus Energy Inc.

In a Canadian court, KD Energy has made a claim for repayment of funds advanced to the Company allegedly under the CapEx Loan in the amount of USD $2,093,014.76, plus 7% interest from April 7, 2020 to the date of the trial, or alternatively a claim by Totisa Holdings S.A. ("**Totisa**") in unjust enrichment for funds advanced in the amount of USD $2,093,014.76 plus interest under the *Judgment Interest Act*, plus costs. In addition, in the same case, Jose Penafiel has claimed for wrongful dismissal damages of USD $315,000 plus aggravated and punitive damages of $300,000, and Alejandro Penafiel has claimed for wrongful dismissal damages of USD $180,000 plus aggravated and punitive damages of $150,000, plus interest.

In this case, the Company defeated a summary judgment application by Totisa.

KD Energy International Capital Limited and Hispania Petroleum S.A. v Centaurus Energy Inc.

In the same Canadian court, KD Energy and Hispania have made claims for repayment of debt in the amount of USD $2,411,770.40 plus interest of 7% per annum accruing from June 27, 2022 to date of trial, for funds advanced to the Company under either the CapEx Loan or Working Capital Loan, plus costs. This relief sought is duplicative of the relief sought previously.

The Company filed a Statement of Defence and Counterclaim, seeking to set off any amounts owing, seeking damages of at least $3,000,000 and punitive damages against the Plaintiffs, and seeking to consolidate the Actions.

The Plaintiffs filed a Statement of Defence to Counterclaim and Reply to Defence. The Company filed a Reply to Statement of Defence to Counterclaim.

The Company may seek to raise additional capital through debt or equity, or a combination, in order to further invest in Ether and/or SOL, which includes the Financing (see "*Particulars of Matters to be Acted upon - 6. PROPOSED CHANGE OF BUSINESS – Concurrent Financing*").

Legal Proceedings

Other than the summarized proceedings in the above section, *Information Concerning the Company – Debt of the Company*, there are no currently and were not within the most recently completed fiscal year of the Company, any material legal proceedings or regulatory actions to which the Company is or was a party or of which any of the Company's properties are or were subject, nor are any such proceedings or actions currently known by the Company to be contemplated.

Material Contracts

There are no contracts of the Company other than the Tawil Loan and those entered into in the ordinary course of business, that are material to the Company and that were entered into by the Company within the most recently completed financial year or were entered into before the most recently completed financial year. The Shareholders can request to inspect copies of the Tawil Loan at the offices of Osler, Hoskin and Harcourt LLP, the Company's counsel, located at Brookfield Place, 225 6 Ave SW Suite 2700, Calgary, AB T2P 1N2, until the Meeting date by sending a request to the Company at #1250, 639 – 5th Avenue S.W., Calgary, AB T2P 0M9 or davidtawil@ctaurus.com.

Investor Relations Arrangements

No written or oral agreement or understanding has been reached with any person to provide any promotional or investor relations services for the Company. Any such agreement or understanding that may be entered into following completion of the Proposed Change of Business will be at the determination of the Company Board.

Auditor, Transfer Agent and Registrar

The auditors of the Company are Gallo LLP, of 12415 Stony Plain Road NW, Edmonton, AB T5N 3N3.

The Company's registrar and transfer agent is Odyssey Trust Company of 1230 – 300 5th Avenue SW, Calgary, AB T2P 3C4.

Management Contracts

No management functions of the Company are performed to any substantial degree by a person other than the directors or executive officers of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation, and sets forth compensation for each of the NEOs and directors of the Company.

Director and NEO Compensation, Excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
David Tawil[(1)]	2023	225,000	Nil	Nil	Nil	Nil	225,000
Chief Executive Officer and Director	2022	200,000	Nil	Nil	Nil	Nil	200,000
Jeffrey Borack[(2)]	2023	2,500	Nil	Nil	Nil	Nil	Nil
Chief Financial Officer	2022	N/A	N/A	N/A	N/A	N/A	N/A
Steven Balsam	2023	Nil	Nil	Nil	Nil	Nil	Nil
Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
William Schubin	2023	Nil	Nil	Nil	Nil	Nil	Nil
Director	2022	Nil	Nil	Nil	Nil	Nil	Nil

(1) David Tawil was appointed the Interim Chief Executive Officer on March 24, 2020 and was appointed the Interim Chief Financial Officer on August 13, 2021. Mr. Tawil is engaged pursuant to a consulting agreement dated August 24, 2022, which provides for an increasing annual amount beginning at $150,000 in 2020 and rising to $225,000 in 2024. The agreement was for a term through December 31, 2024, and is being renewed on a monthly basis since the conclusion of the term. The agreement may be terminated by the Company upon 30 days' written notice at any time upon payment of 12 months of fees, or for a material breach by Mr. Tawil of the terms of the agreement, in which case Mr. Tawil would be entitled to receipt of any unpaid fees only. The agreement may be terminated by Mr. Tawil upon at least 30 days' prior written notice to the Company, in which case Mr. Tawil would be entitled to payment of unpaid fees only.

(2) Jeffrey Borack was appointed the Chief Financial Officer on August 7, 2023.

Stock Options and Other Compensation Securities

The Company issued no stock options or other compensation securities in the financial years ended December 31, 2022 and December 31, 2023.

No stock options or other compensation securities were exercised in the financial years ended December 31, 2022 and December 31, 2023.

Exercise of Compensation Securities by Directors and NEOs

No NEO or director of the Company exercised Compensation Securities in the financial years ended December 31, 2022 and December 31, 2023.

Stock option plans and other incentive plans

As of December 31, 2023, the Company has terminated all existing stock options and canceled the related agreements, and has not entered into any new option or other incentive plans.

Employment, consulting and management agreements

The Company's compensation philosophy for its NEOs is designed to attract well qualified individuals in what is essentially an international market by paying competitive salaries and, subject to approval of the new Stock Option, long-term incentive compensation in the form of stock options. In making its determinations regarding the various elements of executive compensation, the Board has access to and relies on published studies of compensation paid in comparable businesses.

The duties and responsibilities of the President and CEO are typical of those of a business entity of the Company's size in a similar business and include direct reporting responsibility to the Board, overseeing the activities of all other executive, representing the Company, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

Elements of Compensation

The Company's executive compensation policy consists of an annual salary and, subject to the approval of the new Stock Option Plan, long-term incentives in the form of stock options granted under the Company's Stock Option Plan.

The base salaries paid to officers of the Company are intended to provide fixed levels of competitive pay that reflect each officer's primary duties and responsibilities and the level of skill and experience required to successfully perform their role. The Company intends to pay base fees to officers that are competitive with those for similar positions in the industry to attract and retain executive talent in the market in which the Company competes for talent. Base fees of officers are reviewed annually by the Board.

The incentive component of the Company's compensation program is the potential long-term reward provided through the grant of stock options. The Company's Stock Option Plan is intended to attract, retain and motivate officers and directors of the Company in key positions, and to align the interests of those individuals with those of the Company's Shareholders. The Stock Option Plan will provide such individuals with an opportunity to acquire a proprietary interest in the Company's value growth through the exercise of stock options. Options are granted at the discretion of the Board, which considers factors such as how other companies in the industry grant options and the potential value that each optionee is contributing to the Company. The number of options granted to an individual is based on such considerations. Stock options are granted at an exercise price of not less than the prevailing market price of the Company's Common Shares at the time of the grant, and for a term of exercise not exceeding ten years.

The Company has not currently identified specific performance goals or benchmarks as such relate to executive compensation, but from time to time will review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company's industry. The stage of the Company's development and the small size of its specialized management team allow frequent communication and constant management decisions in the interest of developing shareholder value as a primary goal.

Compensation Policies and Risk Management

The Board considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers.

Executive compensation is comprised of short-term compensation in the form of a fixed salary and long-term ownership through the Company's Stock Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the Shareholders is extremely limited.

Due to the small size of the Company and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy prohibiting Directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by Directors or officers. However, the Company is not aware of any Directors or officers having entered into this type of transaction.

The Company has no contracts with any NEO except for the Tawil Loan.

Pension disclosure

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Securities Authorized for Issuance Under Equity Compensation Plans

The Company does not have any compensation plans under which equity securities are authorized for issuance.

Indebtedness of Directors and Executive Officers

As at the Record Date, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no Associate of such persons:

(ii) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or

(iii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

AUDIT COMMITTEE

Audit Committee Charter

The Company's audit committee charter is attached hereto as Schedule A.

Composition of the Audit Committee

The members of the audit committee are David D. Tawil, Stephen Balsam and William Schubin.

Pursuant to Exchange Policy 3.1 and National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), the majority of the members of the audit committee, being Stephen Balsam and William Schubin, are not Officers, employees or Control Persons of the Company or any of its Associates or Affiliates, as such terms are defined in Exchange Policy 3.1. Each of Stephen Balsam and William Schubin are independent, and all three proposed members are financially literate.

Relevant Education and Experience

Steven Balsam, JD, CFA is Chairman of the Company's audit committee. Steven is Vice President and Chief Compliance Officer at Ber Tov Capital Corporation, an exempt market dealer based in Toronto that advises high net worth clients regarding tax-efficient structured flow-through investments in resource companies. At Ber Tov, Steven oversees the firm's compliance with securities laws and regulatory requirements and leads due diligence efforts for the firm's investments. Before joining Ber Tov, Steven served as a portfolio manager at Manitou Investment Management where he co-managed Manitou's North American equities portfolio. Prior thereto, Steven worked as an attorney in New York for four years, specializing in taxation and litigation. Steven received his law degree from Harvard Law School in 1998 and his bachelor's degree from Yeshiva University in 1995. He attained the Chartered Financial Analyst (CFA) designation in 2006. He has an excellent understanding of financial reporting and a well-qualified member of the Company's audit committee.

William A. Schubin is a private investor with experience in a variety of industries including financial services/insurance, real estate, technology and energy. Earlier in his career he was an investment banker with Bear Stearns and Rothschild and served as a Bank Examiner with the Federal Reserve Bank of New York. William received his bachelor's degree from Yeshiva University in 1996.

David D. Tawil, JD, is the CEO of the Company. David earned a BS degree in Business Management, graduating magna cum laude from Yeshiva University in 1996, and he earned a JD degree from the University of Michigan Law School in 1999. He is a trained attorney with corporate and securities with experience at two of the world's most respected law firms, Skadden, Arps, Slate, Meagher & Flom LLP and Davis Polk & Wardwell LLP. He has managed investment funds that invest in publicly traded securities for over 20 years, and his experience includes working at Credit Suisse, and founding and managing ETG Capital Advisors, Maglan Capital and ProChain Capital.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors" in the audit committee charter attached hereto as Schedule A.

External Auditors Service Fees (By Category)

The aggregate fees billed by the Company's external auditors for the last two fiscal years for audit and other fees are as follows:

Financial Year Ending	Audit Fees[(1)]	Audit Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
2023	$17,325	Nil	$3,412	$Nil
2022	$21,000	Nil	$4,200	$Nil

(1) "Audit Fees" include the aggregate fees billed in each financial year for audit fees.

(2) "Audit Related Fees" include the aggregate fees in each financial year for assurance and related services to the performance of the audit or review of the Company's financial statements not already disclosed under "Audit Fees".

(3) "Tax Fees" are the aggregate fees billed by the auditor for tax compliance, tax advice and tax planning.

(4) "All Other Fees" include aggregate fees billed for products or services not already reported in the above table.

Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which is set out below, to the extent known at this time.

Board of Directors

As at the Record Date, the Board consists of three directors, two of whom are independent based upon the tests for independence set forth in NI 52-110. Stephen Balsam is independent. William Schubin is independent. David D. Tawil is not independent as he is the CEO of the Company.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members will be provided with:

1. information respecting the functioning of the Board, committees;

2. access to recent, publicly filed documents the Company and the Company's internal financial information;

3. access to management; and

4. a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management and auditors; to keep themselves current with industry trends and developments and changes in legislation with management's assistance. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders.

Nomination of Directors

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the resource exploration industry are consulted for possible candidates.

Compensation of Directors and the CEO

As at the Record Date, the Company's independent Directors are Stephen Balsam and William Schubin. The independent directors have the responsibility for determining compensation for the Directors and senior management.

To determine compensation payable, the independent Directors review compensation paid for Directors and CEOs of companies of similar size and stage of development in exploration and production and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the independent Directors annually review the performance of the CEO and senior management in light of the Company's objectives.

Other Board Committees

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger Board, the Board has determined that additional committees are not necessary at this stage of the Company's development.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. To assist in its review, the Board conducts informal surveys of its directors.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting, including the Proposed Change of Business, as summarized below:

1. REPORT AND FINANCIAL STATEMENTS

The Board of the Company has approved all of the information in the audited financial statements of the Company for the years ended December 31, 2022 and December 31, 2023 and, in each case, the report of the auditor thereon, copies of which are available at https://ctaurus.com/.

2. FIX NUMBER OF DIRECTORS TO BE ELECTED AT THE MEETING

Shareholders at the Meeting will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order

to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that three (3) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Proxyholders, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at three (3)**.

3. ELECTION OF DIRECTORS

The Company currently has three (3) directors and all of these directors are being nominated for re-election at the Meeting. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Company presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Company that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the date of this Information Circular.

Unless otherwise directed, it is the intention of the Management Proxyholders, if named as proxy, to vote for the election of the persons named in the following table to the Board of Directors. Each director elected will hold office until the next annual and special general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Company or the provisions of the ABCA to which the Company is subject.

Name, Jurisdiction of Residence and Position	Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years	Previous Service as a Director	Number of common shares beneficially owned, controlled or directed, directly or indirectly [(2)]
David D. Tawil [(1)] Ocean, NJ, USA, Chief Executive Officer and Director	CEO of the Company from March 2020 to present	March 2020	70,684 [(2)]
Stephen Balsam [(1)] Toronto, ON Canada Director	Vice President and Chief Compliance Officer at Ber Tov Capital Corporation	April 2020	Nil
William Schubin [(1)] New York, NY USA Director	Owner, operator and investor focusing on a variety of industries including financial services/insurance, real estate, technology and energy.	May 17, 2019	5,174 [(2)]

(1) Member of the audit committee.

(2) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as of January 24, 2025, based upon information furnished to the

Company by individual Directors. Unless otherwise indicated, such shares are held directly.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

Public Company Experience of the Proposed Directors

All three proposed directors have more than 2 years of reporting issuer experience with the Company. During that time, there have been no legal or regulatory issue raised by the Exchange. No proposed director has ever been alleged to have violated securities laws or any other regulatory provisions, in this context or any other.

David D. Tawil is the CEO of the Company. David earned a BS degree in Business Management, graduating magna cum laude from Yeshiva University in 1996, and he earned a JD degree from the University of Michigan Law School in 1999. He is a trained attorney with corporate and securities with experience at two of the world's most respected law firms, Skadden, Arps, Slate, Meagher & Flom LLP and Davis Polk & Wardwell LLP. He has managed investment funds that invest in publicly traded securities for over 20 years, and his experience includes working at Credit Suisse, and founding and managing ETG Capital Advisors, Maglan Capital and ProChain Capital.

Steven Balsam, is Chairman of the Company's audit committee. Steven is Vice President and Chief Compliance Officer at Ber Tov Capital Corporation, an exempt market dealer based in Toronto that advises high net worth clients regarding tax-efficient structured flow-through investments in resource companies. At Ber Tov, Steven oversees the firm's compliance with securities laws and regulatory requirements and leads due diligence efforts for the firm's investments. Before joining Ber Tov, Steven served as a portfolio manager at Manitou Investment Management where he co-managed Manitou's North American equities portfolio. Prior thereto, Steven worked as an attorney in New York for four years, specializing in taxation and litigation. Steven received his law degree from Harvard Law School in 1998 and his bachelor's degree from Yeshiva University in 1995. He attained the Chartered Financial Analyst (CFA) designation in 2006.

William A. Schubin is a private investor with experience in a variety of industries including financial services/insurance, real estate, technology and energy. Earlier in his career he was an investment banker with Bear Stearns and Rothschild and served as a Bank Examiner with the Federal Reserve Bank of New York. Cease Trade Orders, Bankruptcies, Penalties and Sanctions.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

To the knowledge of the Company, no proposed director:

(a) is, as of the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:

(i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under

securities legislation, that was in effect for a period of more than 30 consecutive days; or

(ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

(b) is, as of the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

No directors and officers of the Company that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction.

4. APPOINTMENT OF AUDITORS

Shareholders at the Meeting will be asked to vote for the reappointment of Gallo LLP, Chartered Accountants, of Edmonton, Alberta, to hold office until the next annual general meeting of Shareholders. Gallo LLP have been the auditors for the Company since January 18, 2023. **Unless otherwise directed, it is the intention of the Management Proxyholders, if named as proxy, to vote in favour of the appointment of Gallo LLP to hold office for the ensuring year.**

5. APPROVAL OF STOCK OPTION PLAN

Shareholders at the Meeting will be asked to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution approving the adopted of a new Stock Option Plan.

Currently, the Company does not have any outstanding stock options. A copy of the proposed Stock Option Plan is attached hereto as Schedule B.

Unless otherwise directed, it is the intention of the Management Proxyholders to vote proxies in favour of the resolution approving the Stock Option Plan. In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by shareholders who vote in respect to the resolution.

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows:

"Be it resolved as an ordinary resolution of the Company that:

1. **the stock option plan of the Company be approved substantially in the form attached hereto as Schedule B (the "Stock Option Plan") and the Stock Option Plan be and is hereby ratified, approved and adopted as the stock option plan of the Company;**

2. **the form of the Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company;**

3. **the shareholders of the Company hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**

4. **any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."**

6. PROPOSED CHANGE OF BUSINESS

Shareholders at the Meeting will be asked to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution approving the change of business of the Company from a Tier 2 Oil & Gas Issuer to a Tier 2 Investment Issuer, pursuant to Exchange Policy 5.2 – Changes of Business and Reverse Takeovers (the "**Proposed Change of Business**"). The full text of the Proposed Change of Business resolutions (the "**Change of Business Resolutions**") are attached hereto as Schedule C.

In order to be effective, the Change of Business Resolutions must be approved by a majority of the votes attaching to the Common Shares represented by the Shareholders present at the Meeting in person or by proxy.

Stated Business Objectives

The Company's long-term objective is to become a leading investment company focused on digital assets and blockchain technology, with the following specific objectives:

1. Build and maintain a treasury of digital assets, primarily consisting of Ether (ETH) and Solana (SOL), through strategic acquisition and staking activities.

2. Generate sustainable returns through:

    - Active participation in network validation through staking of digital assets
    - Capital appreciation of held digital assets
    - Yield generation through participation in DeFi protocols

3. Expand the investment portfolio to potentially include other Layer-1 network cryptocurrencies as permitted under applicable laws and regulations

Milestones

To accomplish the stated business objectives, the Company has established the following key milestones:

Phase 1: Initial Digital Asset Accumulation and Staking (Q1-Q2 2025)

- Continue building ETH position beyond current holdings of 135.93 ETH (associated costs expected to be approximately USD $10,000,000)
- Maintain minimum 75% staking ratio for ETH holdings (no costs expected to be associated with this milestone)
- Initiate SOL position and staking program (associated costs expected to be approximately USD $10,000,000)

Phase 2: Operational Infrastructure (Q2-Q3 2025)

- Implement comprehensive treasury management systems (no costs expected to be associated with this milestone)
- Establish relationships with regulated digital asset brokers and exchanges (no costs expected to be associated with this milestone)
- Deploy security protocols for digital asset custody holdings (no costs expected to be associated with this milestone)

Phase 3: Portfolio Expansion (Q3 2025-Q2 2026)

- Evaluate and potentially acquire positions in additional Layer-1 network currencies (any amounts raised beyond the Financing are expected to be allocated to this milestone)
- Explore opportunities in emerging yield-generating protocols (no costs expected to be associated with this milestone)
- Assess opportunities in the broader digital asset ecosystem (no costs expected to be associated with this milestone)

Each milestone phase includes ongoing monitoring of regulatory compliance and maintaining appropriate risk management practices in accordance with the Company's investment policies. The estimated costs associated with achieving these milestones will be funded through existing treasury assets, funds from the Financing and ongoing revenue from the PAE ORRI payments (see "*Particulars of Matters to be Acted upon - 6. PROPOSED CHANGE OF BUSINESS – Available Funds*").

Background to the Proposed Change of Business

The Company was originally amalgamated under the name "Madalena Ventures Inc." on April 1, 2013 under the *Business Corporations Act* (Alberta). The Company changed its name to "Centaurus Energy Inc." on October 25, 2019.

The Company's registered office is located at #1250, 639 – 5th Avenue S.W. Calgary, Alberta, T2P 0M9. The Company's Common Shares were listed on the TSX Venture Exchange on February 16, 2007. The Company's Common Shares are currently listed under the symbol "CTA". The Company has been listed on the Exchange as a Tier 2 Oil & Gas Issuer. The Company is a reporting issuer under applicable securities legislation in British Columbia, Alberta, Ontario, Saskatchewan, Prince Edward Island, Manitoba, New Brunswick, Newfoundland, and Nova Scotia.

The current business of the Company includes managing the PAE ORRI. The Company received a payment of PAE ORRI in the amount of USD $150,200 in February 2024. The most recent PAE ORRI payment (received in mid-August 2024) was equivalent to USD $264,818 (paid in Argentina Pesos).

Ether and Sol as Primary Treasury Reserve Assets

On March 27, 2024, the Company announced a new treasury reserve asset allocation strategy, focused on the Ether cryptocurrency (ETH), the native asset of the Ethereum blockchain. On January 8, 2025, the Company announced that its treasury reserve asset allocation strategy will also include the SOL cryptocurrency, the native asset of the Solana blockchain. The Company plans to invest a portion of its treasury assets in ETH and SOL, and to engage in staking activities which may present opportunities to earn yield on these assets. There are risks to the Company in connection with potential staking activities. For examples of some of the risks associated with staking, please see "*Risk Factors – Risks Associated with the Ethereum Network – Decrease in Block Reward or Yield*" and "*Risk Factors – Risks Associated with Investments in Solana/SOL*" below.

Ether and SOL represent cryptocurrencies of public blockchains powering "smart contracts" and DApps (Decentralized Applications), they serve as key components for DeFi (Decentralized Finance), NFTs (Non-fungible Tokens), and securities tokenization efforts by asset management firms globally, and serves as an alternative to cash in terms of capital appreciation.

Since its launch in 2015, Ethereum has emerged as a significant addition to the global financial system, with characteristics that are potentially useful to both individuals and institutions. Additionally, Ethereum may have practical applications on property ownership recording and transfers, including, real-property, personal property, contractual rights and financial products, banking and value-transfer, and creative works. The Company has recognized Ether as a legitimate

investment asset that can be superior to cash and accordingly has made Ether the principal holding in its treasury reserve strategy.

Inclusive of its investment in Ether, the Company considers opportunities to earn yield on the Ether that it owns, including the depositing of Ether into staking pools or liquidity pools. Currently, the Company is staking 75% of its Ether.

In considering various commodities for potential investment, the Company observed distinctive properties of Ether that led it to believe investing in the cryptocurrency may provide the prospect of earning a higher return than other investments. The global acceptance, energy-efficiency, self-deflationary monetary policy, and consistent upgrade of network software of Ether demonstrate its potential to provide meaningful long-term returns when compared to other commodities.

Related to the strategy, David Tawil, CEO of the Company, and the Company have entered into the Tawil Loan further described above.

As of January 24, 2025, the Company held 135.93 Ether (approximately USD $460,000).

Ether Investment

Ether is the second largest digital asset by market capitalization after Bitcoin ("**BTC**"). There are significant differences between Bitcoin and Ethereum as protocols, which affect the value proposition of the digital assets native to each blockchain, namely BTC and Ether. BTC is often referred to as "digital gold" in the context of its scarcity and status as a store of value asset and it has established strong brand recognition in this regard. Ether, by contrast, can be considered a proxy for financial exposure to the activity on the Ethereum blockchain. The Company views the investment thesis for Ethereum and Ether as threefold. First, like BTC, Ether is a store of value. Second, holding Ether provides venture-type leverage to applications built on the Ethereum network since the success of such applications should result in increased platform usage and more demand for Ether. Third, Ether presents yield opportunities to its holders, as Ethereum has transitioned to a proof-of-stake ("**PoS**") network and inflationary block rewards can be earned by holders of Ether that choose to stake their Ether ("**Staked Ether**") to participate in the verification of transactions on the Ethereum network.

As the Ethereum ecosystem continues to grow, new opportunities are emerging for Ether stakers that enable stakers to secure additional networks and activities with their Ether and earn additional yield. This activity is referred to as "re-staking" and is still in the early stages. Because BTC is the native asset of a proof-of-work ("**PoW**") network, an investment in BTC does not present the same type of yield opportunities through staking.

The Company believes that its focused strategy of deploying funds into Ether and securing the Ethereum network via staking differentiates the Company as a key industry participant with substantial holdings in the sector. The Company does not intend to deal or otherwise trade in Ether, other than occasionally selling Ether to support operations. Accordingly, investors are exposed to changes in the price of Ether. The Company does not anticipate that it will hedge its exposure to Ether. Investors may continue to be exposed to changes in the price of Ether, other digital assets or issuers in the digital asset space in which the Company invests, or the broader digital asset market.

Digital Asset Trading

The Company has adopted policies and procedures prescribing the Company's operational process for transacting in digital assets which are designed to prevent and detect erroneous trading and undue risk to the security of its digital assets. The Company will only transact with regulated digital asset brokers and exchanges which have been selected based on regulatory status, operational history, security protocols, reputation and trading volumes.

The Ethereum Network

Ethereum, (or Ether, or ETH), is a digital asset that is created and transmitted through the operations of the peer-to-peer Ethereum network, a decentralized network of computers that uses cryptographic protocols to operate a continuous, uninterrupted and immutable state machine (the "**Ethereum Virtual Machine**" or "**EVM**"). No single entity owns or operates the Ethereum network, the infrastructure of which is collectively maintained by a decentralized user base. The Ethereum network allows people to exchange tokens of value, called Ether, which are recorded on a public transaction ledger known as a blockchain. Ether can be used to pay for goods and services, including computational power on the Ethereum network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on crypto asset trading platforms or in individual end-user-to-end-user transactions.

Ethereum uses blockchain technology to create "smart contracts," allowing users to bind multiple parties to an agreement without an intermediary. The Ethereum network validates and executes smart contracts according to the rules in each contract, facilitating automation of complex and customizable transactions.

Ether is the currency used to pay for the computing resources needed to run applications or programs on the Ethereum platform. Participation and executing transactions on the Ethereum network require Ether. The more computationally expensive an application on the Ethereum platform is, the more Ether that is required to run the application. Unlike certain other digital assets designed to replace traditional currency, the value of Ether should be driven by the underlying value and functionality of the Ethereum platform.

Development on the Ethereum network involves building more complex tools on top of smart contracts, such as decentralized apps ("**Dapps**") and protocols built on top of the Ethereum network that are designed to enhance the scalability of the network by inheriting its security while seeking to provide faster and less costly transactions ("**Layer 2 protocols**"), commonly known as "rollups" and "sidechains".

The Ethereum network has also been used as a platform for creating new digital assets. Digital assets are built on the Ethereum network and other EVM compatible networks, with such assets representing a significant amount of the total market value of all digital assets.

More recently, the Ethereum network has been used for decentralized finance ("**DeFi**") or open finance platforms, which seek to democratize access to financial services, such as borrowing, lending, custody, trading, derivatives and insurance, by removing third-party intermediaries. DeFi can allow users to lend and earn interest on their digital assets, exchange one digital asset for another and create derivative digital assets such as stablecoins, which are digital assets pegged to

a reserve asset such as fiat currency. Since 2023, between US$40 billion and $100 billion worth of digital assets were locked up as collateral on DeFi platforms on the Ethereum network.

In addition, the Ethereum network and other smart contract platforms have been used for creating non-fungible tokens ("**NFTs**"). Unlike digital assets native to smart contract platforms which are fungible and enable the payment of fees for smart contract execution, NFTs allow for digital ownership of assets that convey certain rights to other digital or real world assets. This new paradigm allows users to own rights to other assets through NFTs, which enable users to trade them with others on the Ethereum network. For example, an NFT may convey rights to a digital asset that exists in an online game or a Dapp, and users can trade their NFT in the Dapp or game, and carry them to other digital experiences, creating an entirely new free-market internet-native economy that can be monetized in the physical world.

The Ethereum network was originally described in a 2013 white paper by Vitalik Buterin, a Russian-Canadian computer programmer. The Ethereum network is an open source project with no official developer or group of developers that controls it.

Transition to a Proof-of-Stake Protocol

New Ether is issued to the validators of a block in the Ethereum blockchain as a reward for verifying transactions. The Ethereum blockchain is a decentralized database that includes all blocks that have been validated and it is updated to include new blocks as they are validated. Each transaction is broadcast to the Ethereum network and, when included in a block, recorded in the Ethereum blockchain. As each new block records outstanding Ether transactions, and outstanding transactions are settled and validated through such recording, the Ethereum blockchain represents a complete, transparent and unbroken history of all transactions of the Ethereum network. The Ethereum network implements software upgrades and other changes to its protocol on a continuous basis.

In a series of upgrades beginning in December 2020 and culminating in April 2023, the Ethereum network transitioned from a proof-of-work ("**PoW**") protocol, like the Bitcoin network, to a proof-of-stake ("**PoS**") protocol. Under a PoS protocol, token holders who voluntarily commit Ether to staking are given the exclusive right to validate transactions and participate in consensus. Token holders can elect to stake their Ether ("**Staked Ether**") in order to contribute to the security of the network and earn rewards ("**Staked Ether Rewards**"), similar to a yield.

Token holders can actively participate in the staking of their Ether by operating a validator node, which requires a deposit of 32 Ether. Alternatively, token holders can participate in staking by delegating their Ether to a validator node operated by another party. Validator nodes are selected randomly to validate transactions and earn Staked Ether Rewards for completing such validation. Every 12 seconds, a new block is added to the Ethereum blockchain with the latest transactions processed by the network. The validator that bundled transactions into a block is awarded Ether transaction fees paid by users of the network. As such, there is not a competitive race to solve a mathematical puzzle that prevails in a PoW consensus mechanism. One important benefit is that PoS is the reduction in computing power, computing equipment and energy usage. Independent estimates are that electricity usage has decreased by over 99.5% for PoS versus PoW, thus aligning with global initiatives for carbon emission reductions.

Ethereum's transition to a PoS protocol began with the launch, on December 1, 2020, of a new ledger of accounts known as the "Beacon Chain" that conducted and coordinated the network of Ethereum stakers. The Beacon Chain operated as a PoS protocol alongside the original Ethereum blockchain until September 2022, when the two chains successfully merged and continued as one PoS network (the "Merge"). During this initial PoS phase, Staked Ether and Staked Ether rewards earned from validating blocks ("Consensus Layer Rewards") could not be withdrawn from the Beacon Chain, and were therefore illiquid. Conversely, transaction fees earned from bundling and executing transactions through the Ethereum Virtual Machine ("Execution Layer Rewards") were automatically made freely transferrable.

On April 12, 2023, the Ethereum network completed a software upgrade to allow for Staked Ether and Consensus Layer Rewards to be withdrawn (the "**Shanghai Upgrade**"). Since the Shanghai Upgrade, Staked Ether can be withdrawn from staking pursuant to an "unbonding" process that can take from one day to three weeks to complete. At the conclusion of the unbonding period, the Ether is returned to the withdrawal address specified at the time it was staked and is liquid (e.g. freely transferable).

Currently, there is approximately 31.5 million Ether committed to staking on the Ethereum blockchain.

The Ether market may be impacted by the supply of Ether that voluntarily elects to commit to staking and not available for trading and other DeFi applications.

Ether as a Source of Yield

Since Ethereum transitioned to a PoS network, the Company and other holders of Ether have the opportunity to stake Ether and receive rewards from performing validation services on the network. Staking is similar in concept to a yield generation activity. However, staking is not a passive activity and requires the active function of running validator software and equipment. Yields are paid in Ether (Consensus Layer Rewards and Execution Layer Rewards) and are variable depending, primarily, on the total amount of Ether staked to the network and transaction fees paid by network participants. The Company has the technical knowledge required to stake its Ether, which is expected to result in Ether-denominated staking income accruing to the Company and by extension its investors. Exact yield will fluctuate based on i) how many other validators are on the network ii) the amount of transaction fees paid during the produced block.

Dencun Upgrade

On March 13, 2024, the Ethereum network completed a significant upgrade to address scalability (handling more users and more transactions) with affordable fees, while maintaining decentralization (the "**Dencun upgrade**"). The upgrade was completed by a hard fork of the network. The upgrade introduces temporary "data blobs" for cheaper storage on "Layer 2" roll-up protocols. A new transaction type enables rollup providers to store data more cost effectively in "blobs" which are guaranteed to be available to the network for approximately 18 days, after which they are pruned, but applications can still verify the validity of their data using proofs. This upgrade significantly reduces the cost of rollups, limits chain growth, and helps support users while maintaining security and a decentralized set of node operators.

The Solana Network

The Solana blockchain network (the "**Solana Network**") is an open-source blockchain platform designed to support decentralized applications (dApps), decentralized finance (DeFi) solutions, and other Web3 innovations. Launched in 2020 by Solana Labs, the Solana Network aims to address the scalability, speed, and cost limitations of earlier blockchain platforms. The Solana Network employs a unique hybrid consensus mechanism combining Proof of Stake (PoS) and Proof of History (PoH). PoH introduces cryptographic timestamps that verify the sequence and passage of time between events, allowing transactions to be processed in parallel. This architecture enables the Solana Network to achieve high throughput—processing up to 65,000 transactions per second (TPS)—with low latency and minimal transaction fees, typically averaging $0.00025 per transaction. The native cryptocurrency of the Solana Network, SOL, serves multiple purposes:

- **Transaction Fees**: SOL is used to pay for transaction fees and smart contract execution on the network.

- **Staking**: Users can stake SOL to participate in the Solana Network's PoS consensus mechanism, contributing to network security and earning staking rewards.

- **Governance**: While not yet implemented, SOL holders may in the future have opportunities to participate in governance decisions regarding the Solana Network's development and upgrades.

Solana Architecture and Consensus Mechanism

The Solana Network's architecture is designed for high performance and scalability. Its PoH mechanism timestamps transactions in a cryptographically verifiable manner, creating a sequential ledger of events without relying on external time sources. This reduces communication overhead among validators and accelerates consensus. Validators are organized into clusters, which process transactions in parallel using protocols such as Turbine for data propagation and Gulf Stream for transaction forwarding. These innovations allow the Solana Network to maintain its speed and efficiency even during periods of high demand. The Solana Network also employs Tower Byzantine Fault Tolerance (TBFT), a modified version of traditional PoS consensus. Validators are selected based on their staked SOL to propose and confirm blocks, ensuring both decentralization and security. Unlike Ethereum's reliance on a global mempool for pending transactions, the Solana Network uses a "mempool-less" protocol where transactions are sent directly to the leader node responsible for block production during each slot. This approach minimizes delays and enhances throughput.

Use Cases, Ecosystem and Challenges – Solana Network

The Solana Network supports a wide range of applications across various sectors:

- **DeFi Protocols**: The Solana Network has become a hub for DeFi platforms such as decentralized exchanges (DEXs), lending protocols, and yield farming solutions.

- **NFT Marketplaces**: Solana has gained traction in the NFT space due to its low fees and high-speed transaction processing. Platforms like Magic Eden enable creators to mint and trade digital art efficiently without incurring high gas fees typical of other blockchains like Ethereum.

- **Gaming**: The Solana Network's scalability makes it suitable for blockchain-based games that require fast interactions and low costs. Developers leverage the Solana Network's infrastructure to create immersive gaming experiences with integrated digital assets.

- **Enterprise Solutions**: Partnerships with companies such as Mastercard, Shopify, and Google Cloud highlight the Solana Network's potential in enterprise applications, including decentralized payments, loyalty programs, and tokenized commerce solutions.

Additionally, the Solana Network has been associated with projects such as Hivemapper (decentralized mapping), Render Network (distributed GPU rendering), and Helium (decentralized wireless networks), showcasing its versatility beyond financial applications.

Despite its technical advantages, the Solana Network faces challenges that could impact its long-term adoption. The Solana Network has experienced multiple outages in the past due to its experimental design prioritizing speed over consistency across nodes. While upgrades have improved stability since early 2023, concerns about reliability remain. Additionally, the Solana Network's reliance on Rust as its primary programming language limits developer accessibility compared to Ethereum's widely adopted Solidity. Another challenge lies in its economic model: validator rewards are heavily subsidized through SOL inflation rather than organic transaction fees. This raises questions about sustainability unless user adoption increases significantly.

Regulatory Framework and Compliance

The digital assets and blockchain industry is not currently the subject of a specific legislative or regulatory framework at the provincial or federal level in Canada. Generally, Canadian laws do not prohibit Canadians from owning, mining, staking, transferring, holding or otherwise using digital assets. However, federal and provincial legislation, including federal anti-money laundering/anti terrorist financing and economic sanctions legislation, provincial and territorial securities and derivatives legislation and banking and payments legislation, restrict the offering of certain goods and services relating to digital assets in Canada and by Canadians, primarily by imposing licensing requirements on digital asset market participants that offer such goods and services. For example:

- a person or entity that provides exchange or remittance services for digital assets that are considered "virtual currencies" from Canada or directed toward Canadians is required to register as a money services business (MSB) with the Financial Transactions Analysis and Reporting Analysis Centre of Canada ("**FINTRAC**") and to adopt a customer identity verification, reporting, recordkeeping and compliance regime as prescribed in regulations made under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and FINTRAC guidance and, in Quebec, under the Money Services Business Act (Quebec);

- a person or entity that is in the business of dealing, or operating a marketplace for, digital assets that are considered securities or derivatives in one or more provinces and territories of Canada is required to register as a dealer and/or become recognized as marketplace, or rely on exemptions from such registration and/or recognition requirements, under the securities and/or derivatives legislation of the relevant provinces and/or territories; and

- federal and/or provincial energy law and policy may restrict digital asset mining activities that require significant amounts of electricity, as is the case with many PoW networks.

The Company has obtained legal advice from external counsel in respect of compliance with applicable regulatory frameworks and will continue to do so as the relevant regulatory frameworks evolve over time.

The Company endeavours to continuously and rigorously monitor, on an ongoing basis, changes to the regulatory frameworks in the jurisdictions in which it operates its business and those in which it plans to operate its business in the future. When considered by management of the Company to be appropriate or advisable, the Company consults with its external legal and tax advisors to ensure its compliance with the applicable evolving regulatory frameworks and to understand the relevant risks arising from changes that have been or may be implemented.

Based on the current regulatory frameworks under the provincial and federal laws of Canada applicable to the Company and its business, other than as required pursuant to general corporate statutes, as a reporting issuer under applicable Canadian securities laws or otherwise in the ordinary course of business, no licence, permit or authorization is required to be held by the Company for the purposes of operating its business, and the Company holds no such licence, permit or authorization.

The legislative framework and regulatory environment applicable to digital assets and to the Company and its business, in Canada or abroad, may change in the future.

Other Layer-1 Network Currencies

Ether, SOL and Bitcoin are digital commodities that are native coins of Layer-1 blockchains. A Layer-1 blockchain validates and supports its own network without requiring support from another network and reimburses transaction fees with cryptocurrencies. As with Ethereum and Solana, a Layer-1 network can act as infrastructure for other applications, protocols, and networks to build on top of. A public decentralized layer one network's primary characteristic is its consensus mechanism. Different consensus mechanisms, such as, PoW and PoS, provide different levels of speed, security, and throughput.

Over time, as permitted under the law and regulation, the Company may broaden its investment beyond Ether and SOL, to other Layer-1 coins, such as, XRP, Cardano (ADA), BNB, and Avalanche (AVAX), along with related staking activities, where available.

As at the date of this Information Circular, other than Ether and SOL, the Company has not identified any future Layer-1 investments. Any such determinations will be made by Management on a case by case basis, depending upon the value of the investments, management's expectations regarding investment prospectivity, other available sources and uses of funds, and such other factors as management may consider relevant from time to time.

Concurrent Financing

In conjunction with the Proposed Change of Business, the Company intends to obtain the Financing, that is, it will borrow, by way of a loan agreement, an amount of up to USD $25,000,000 (but in any event, no less than USD $5,000,000), pursuant to the following terms: at an interest rate of 7.00% per year calculated and payable monthly, in cash or payment in kind, maturing on or around February, 2028, secured by the grant of a security interest against the Ether and SOL purchased by the Company with the loan proceeds. The proceeds of the Financing will be used for

the purchase of Ether and SOL and for general working capital purposes, as needed. If the Ether purchased generates gains above the interest rate, 65% of those gains go to the lender (the "**Return**"). The Borrower can repay the loan early with 2 days' notice, but must pay a premium of 5% if repaying in the first year, or 2.5% if repaying in the second year, plus any accrued interest and the Return.

Board Composition Changes

The Exchange requires the Company to appoint two directors with public company experience upon completion of the Proposed Change of Business. These director candidates will be identified and announced in the Company's final press release regarding the approval of the Proposed Change of Business. Shareholders will have the opportunity to elect these new directors at the next Annual General Meeting.

Escrowed Securities

Pursuant to Exchange policy and a pooling agreement dated January 3, 2025, the individuals below have undertaken and agreed with the Exchange not to trade their securities listed below, until such time as the Exchange has approved of the Proposed Change of Business.

		Prior to Giving Effect to the Proposed Change of Business	**After Giving Effect to the Proposed Change of Business**
Name and Municipality of Residence of Securityholder	**Designation of class**	**Number of securities held in escrow and percentage of class**	**Number of securities to be held in escrow and percentage of class**
David Tawil	Common Shares	Nil	70,684 – 6.49%
William Schubin	Common Shares	Nil	5,174 – 0.48%

Additionally, the following securities of the Company will be subject to escrow requirements under Exchange Policy 5.4 - Escrow, Vendor Consideration and Resale Restrictions upon completion of the Proposed Change of Business:

Shares issued:	**David Tawil**	**William Schubin**
Tier 1 Value Security Escrow	59,884	5,174
Remaining – Tier 2 Value Security Escrow	10,800	Nil

These securities will be held in escrow and will be released according to the following schedule:

Tier 1 Value Security Release Schedule

- 25% on the date of Exchange approval
- 25% six months after Exchange approval
- 25% twelve months after Exchange approval
- 25% eighteen months after Exchange approval

Tier 2 Value Security Release Schedule

- 10% on the date of Exchange approval
- 15% six months after Exchange approval
- 15% twelve months after Exchange approval
- 15% eighteen months after Exchange approval
- 15% twenty-four months after Exchange approval
- 15% thirty months after Exchange approval
- 15% thirty-six months after Exchange approval

Use of Available Funds

The following table summarizes the expected total funds available to the Company after giving affect to the Proposed Change of Business during the 12 months following the date of this Information Circular, as described in more detail above (see "*Particulars of Matters to be Acted upon - 6. PROPOSED CHANGE OF BUSINESS*"):

Source of Funds	**Amount (in USD)**
Proceeds of PAE ORRI[(1)]	$700,000
Working Capital[(2)]	-$4,815,000
Financing[(3)]	$25,000,000
Total	$20,885,000

(1) The Company is awaiting the semi-annual payment under the PAE ORRI, which is received in mid-August and mid-February each year. The Company received a payment of PAE ORRI in the amount of USD $150,200 in February 2024. The most recent PAE ORRI payment (received in mid-August 2024) was equivalent to USD $264,818 (paid in Argentina Pesos). The PAE ORRI payments are dependent on net proceeds from a specific shale oil block (Coiron Amargo Sur Este), operated by PAE. The PAE ORRI payments are expected to increase in amount over time because the related shale oil block is being further developed and additional oil wells are being drilled and brought into production. The Company's remaining balance under the PAE ORRI is approximately USD $16,000,000, after which there will be no further payments made. The Company and PAE expect that it will be approximately 10 years until the PAE ORRI is fully satisfied.

(2) As of December 31, 2024.

(3) For further details on the Financing, see *Particulars of Matters to be Acted upon - 6. PROPOSED CHANGE OF BUSINESS – Concurrent Financing*.

The following table summarizes approximate expenditures anticipated by the Company as required to achieve its business objectives during the 12 months following the date of this Information Circular, as described in more detail above (see "*Particulars of Matters to be Acted upon - 6. PROPOSED CHANGE OF BUSINESS*"):

Use of Funds	**Amount (in USD)**
Allocated to future investments[(1)]	$20,000,000

General and administrative expenses of the Company[2]	$384,000
Unallocated	$501,000
Total	$20,885,000

(1) Future investments include: the acquisition of an ETH position beyond the current holdings of 135.93 ETH and the acquisition of initial investment in SOL (see *Particulars of Matters to be Acted upon - 6. PROPOSED CHANGE OF BUSINESS – Milestones*).

(2) The Company considers the general and administrative expenses to be reasonable, as the Company only has one full time employee, it does not maintain any office space and its general and administrative expenses are confined to legal, audit and Exchange-related expenses.

The Company has not declared any cash dividends or distributions on the since its inception. There are no restrictions in the constating documents of the Company that would restrict or prevent the Company from paying dividends. The Company currently intends to retain all available funds to finance its business. Any decision to pay dividends on the Common Shares in the future will be made by the Board based on the earnings, financial requirements, and other conditions existing at such time.

Change of Business

The Proposed Change of Business is being conducted in accordance with Exchange Policy 5.2: Changes of Business and Reverse Takeovers of the TSX Venture Exchange ("**TSXV Policy 5.2**"). Upon completion of the Proposed Change of Business, the Company intends to become an investment company that focuses on its existing investments in the natural resources sector and physical commodities and to consider and pursue investment opportunities in physical and digital commodities, with the objectives to enhance shareholder value over the long term pursuant to an investment policy attached hereto as Schedule F (the "**Investment Policy**").

The Proposed Change of Business will not be conducted concurrently with any other transactions.

The Company is proposing to seek shareholder approval of the Proposed Change of Business for the following reasons:

1. it will confirm the natural evolution in the business of the Company over the past three years to incorporate investment activities that are complementary to its physical commodity interest portfolio;

2. it is supported by management's experience in the digital asset sector;

3. it will provide greater flexibility to the Company to deploy funds to promote the success of the PAE ORRI; and

4. it will provide more options for the Company to continue to create value for its Shareholders on a going forward basis.

The Proposed Change of Business constitutes a "change of business" pursuant to TSXV Policy 5.2. The Exchange has conditionally accepted the Proposed Change of Business subject to the Company fulfilling all of the requirements of the Exchange. There can be no assurance that the Company will be able to satisfy the requirements of the Exchange such that the Exchange will provide final approval of the Proposed Change of Business.

Risks Related to the Proposed Change of Business

TSXV Approval

The completion of the Proposed Change of Business is conditional upon the approval of the Exchange. The Exchange has conditionally accepted the Proposed Change of Business subject to the Company fulfilling all of the requirements of the Exchange. There is no assurance that the Company will meet all of the requirements of the Exchange such that the Exchange will issue a final acceptance for the completion of the Proposed Change of Business.

Liquidity of Securities

The Company's Common Shares are relatively illiquid due to low trading volumes and, as such, the market price of such shares may be subject to wide fluctuations in response to factors such as actual or anticipated variations in the Company's results of operations, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as interest rate changes, may adversely affect the market price of the Company's Common Shares, even if the Company is successful in maintaining revenues, cash flows or earnings. Institutional Investor shareholdings are limited compared to larger market capitalization companies because the low liquidity of the shares deters their participation. In addition, this illiquidity and fluctuation in market price may adversely affect the Company's ability to raise additional funds through the issuance of Common Shares. There can be no assurance that an active and liquid trading market in the Common Shares will develop or, if such a market develops, whether it will be maintained.

General Investment Risk

An investor's return on investment in the Company will vary directly with the Company's market value, which in turn relies on numerous factors, including, but not limited to, its financial condition and operating results and, at this time, the value of Ether that it currently holds. Further, digital assets are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events and recent corporate events in the crypto sector. For example, political or economic crises could motivate large-scale acquisitions or sales of digital assets either globally, regionally or locally.

No Guaranteed Return

There is no guarantee that an investment in the Company will earn any positive return. An investment in the Company is risky and highly speculative and should be considered only by persons who can bear the risk of losing all their investment in the Company.

Reliance on Management, the Board of Directors and Track Record

The success of the Company is dependent upon the skill, judgment, industry relationships and expertise of management and the Board. The loss of a director or of a key person of management may materially and adversely affect the business of the Company. There can be no assurance that these individuals will continue to be employed by or remain involved with the Company for a particular period of time. Recruiting and retaining highly qualified talent is critical to the success of the Company.

Possible Volatility of Stock Price

The market price of the Common Shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its consolidated results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of such Common Shares. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Common Shares should not constitute a major portion of an investor's portfolio.

Trading Price of Common Shares Relative to Net Asset Value

The Company is neither a mutual fund nor an investment fund, and due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of its Common Shares, at any time, may vary significantly from its net asset value per share. This risk is separate and distinct from the risk that the market price of its Common Shares may decrease.

Changes in Applicable Law

The Company's operations are subject to a variety of frequently evolving and emerging laws, regulations and guidelines relating to the digital assets and the blockchain industry. Digital asset service providers are, or are expected to become, subject to various legislative and/or regulatory frameworks in Canada, including under anti-money laundering/anti-terrorist financing and economic sanctions laws, securities and derivatives laws, pending retail payment legislation and energy regulation and policy. Certain custodial crypto asset trading platforms that are regulated as dealers under Canadian securities law ("**Canadian Dealer CTPs**") offer staking services to their clients, and such staking services (when offered by a custodial platform to its retail clients) are regulated and offered under an exemption from the prospectus requirement of applicable securities laws. In addition, on February 22, 2023, the Canadian Securities Administrators ("**CSA**") announced their view that fiat-backed stablecoins, a popular type of digital asset that is pegged to the value of a fiat currency, are securities or derivatives under Canadian securities laws, and have established criteria for evaluating whether to permit a particular stablecoin to be offered by Canadian Dealer CTPs. More generally, the CSA announced a strengthening of their approach toward the regulation of digital asset trading platform following the collapse of FTX and the subsequent market turmoil. To date, the CSA's assertion of jurisdiction over digital asset activities does not extend to the activities of the Company.

Changes to laws, regulations and guidelines due to matters beyond the control of the Company may have an adverse effect on the Company's operations and the financial condition of the Company.

Concentration of Investments

Other than as disclosed in the Investment Policy, there are no restrictions on the proportion of the Company's funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. The Company may participate in a limited number of investments and, as a consequence, its financial results may be substantially adversely affected by the unfavourable performance of a single investment, or sector. Completion of one or more investments may result in a highly concentrated investment by the Company in a particular company, business, industry or sector.

Dependence on Management

The Company is dependent upon the efforts, skill and business contacts of key members of management, for among other things, the information and deal flow they generate during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, the Company's continued success will depend upon the continued service of these individuals who are not obligated to remain employed with it. The loss of the services of any of these individuals could have a material adverse effect on the Company's revenues, net income and cash flows and could harm its ability to maintain or grow its existing assets and raise additional funds in the future.

Additional Financing Requirements

The Company anticipates ongoing requirements for funds to support its growth and may seek to obtain additional funds for these purposes through public or private equity or debt financing, including but not limited to the Financing. There are no assurances that additional funding, or funds from the Financing, will be available to the Company at all, on acceptable terms or at an acceptable level. Any additional equity financing may cause Shareholders to experience dilution, and any additional debt financing, including the Financing, may result in increased interest expense or restrictions on the Company's operations or ability to incur additional debt. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on its ability to grow its investment portfolio.

No Guaranteed Return

There is no guarantee that an investment in the Company's securities will earn any positive return in the short term or long term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. The Company's past performance provides no assurance of its future success.

Management of Growth

Significant growth in the Company's business, as a result of acquisitions or otherwise, could place a strain on its managerial, operational and financial resources and information systems. Future operating results will depend on the ability of senior management to manage rapidly changing business conditions, and to implement and improve its technical, administrative and financial controls and reporting systems. No assurance can be given that the Company will succeed in these efforts. The failure to effectively manage and improve these systems could increase the Company's costs, which could have a material adverse effect on it.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The ABCA provides that in the event that a director has a material interest in an agreement or proposed agreement that is material to an issuer, the director shall disclose his interest in such agreement and shall refrain from voting on any matter in respect thereof, subject to and in accordance with the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

Risks Associated with Investments in Ethereum and Blockchain Technologies

The following risks are associated with investments in Ethereum and blockchain technologies and should be considered:

Speculative and Volatile Nature of Ether

The Company expects to deploy a portion of its capital into Ether. The price of Ether is subject to significant volatility. In addition, there is no guarantee that the Company may be able to sell its Ether at prices quoted on various digital asset trading platforms or at all if it determines to do so. In addition, the supply of Ether is currently controlled by the source code of the Ethereum network, and there is a risk that the developers of the code and the participants in the Ethereum network could develop and/or adopt new versions of the Ethereum software that significantly increase the supply of Ether in circulation, negatively impacting the trading price of Ether. Any significant decrease in the price of Ether may materially and adversely affect the Company and, in turn, the value of the Company's Common Shares.

The Ether markets are sensitive to new developments, and since volumes are still maturing, any significant changes in market sentiment (by way of sensationalism in the media, business collapses in the digital asset sector, or otherwise) can induce large swings in volume and subsequent price changes. Such volatility can adversely affect the business of the Company.

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the public, accounts for anticipated future appreciation in value. The Company believes that momentum pricing of Ether has resulted, and may continue to result, in speculation regarding future appreciation in the value of Ether, inflating and making more volatile the value of an Ether. As a result, Ether may be more likely to fluctuate in value due to changing investor confidence in future appreciation, which could adversely affect the business of the Company.

Uncertainty on Ether Supply

In 2021, the Ethereum network implemented the EIP-1559 upgrade. EIP-1559 changed the methodology used to calculate the fees paid to miners (now validators). This new methodology splits fees into two components: a base cost and priority fee. The base cost is now removed from circulation, or "burnt", and the priority fee is paid to validators. EIP-1559 has reduced the total net issuance of Ether fees to validators. Since the Merge (as defined below), approximately 1,700 Ether are issued per day. Total Ether in circulation has at times turned deflationary due to the newly introduced burn mechanism. This decision was driven to make network fees more predictable. The attributes of the new consensus algorithm are potentially subject to change. The potential deflationary supply of Ether over the long term would potentially increase the value of the Ether held by the Company.

Speculative and Volatile Nature of Investment in Digital Commodities

Investment in digital commodities (including Ethereum and Solana) is a speculative activity as this is a relatively new sector involving a high degree of financial risk. The price and value of digital assets have historically been subject to dramatic fluctuations and are highly volatile, which may materially and adversely affect the Company. The Company's business plan depends upon the growth and adoption of blockchain technology and digital assets generally and Ethereum in particular. If industry participants and prospective participants determine that Ethereum is not an effective platform, due to security risks or other shortcomings, or if another technology emerges which is superior to Ethereum, then it is highly likely that the value of the Company's assets, which are primarily held in Ether, will fall materially.

Underlying Value Risk

Ether represents a new form of digital value that is not tied to any direct physical world assets or backing. The value of Ether is generally speculative and based on the assumption that the Ethereum blockchain ledger will act as the dominant global distributed ledger for various assets and activities. Currently, much of the activity is digitally native – NFTs, Defi and other on-chain activity. Should there be a decline in these verticals and a lack of interest or ability to use the Ethereum blockchain for physical world use-cases, it is likely the value of the native token will decline in value. Just as oil is priced by the supply and demand of global markets, as a function of its utility to, for instance, power machines and create plastics, so too is Ether priced by the supply and demand of global markets for its utility as the gas necessary to confirm transactions on the Ethereum blockchain ledger.

Top Ether Holders May Control a Significant Percentage of the Outstanding Ether

There are several addresses outside of and including digital asset trading platforms that have large holdings of Ether, which can be found at: https://etherscan.io/accounts. While there appear to be few concentrated holders of Ether based on individual addresses, some holders may have their Ether spread across multiple addresses.

Development of the Ethereum Platform

The Ethereum platform is an open-source project being developed by a global network of software developers, including the Ethereum Foundation and other core developers described under "The

Ethereum Network". Mr. Buterin could cease to be involved with the Ethereum platform. Factions could form within the Ethereum community, resulting in different and competing versions of Ethereum being adopted by network participants. Furthermore, network participants running the Ethereum software may choose not to update their versions of the software, resulting in multiple versions of Ethereum competing for mindshare and asset value within their specific ecosystems. Any of the foregoing developments could have a significant negative impact on the viability and overall health of the Ethereum platform, the value of Ether and the Company's business model and assets.

Although management believes that the transition of the Ethereum platform to a full PoS network with the Shanghai upgrade and the subsequent Dencun upgrade have positively impacted its potential for mainstream adoption, no assurance can be given that such impact will materialize. If the Company cannot successfully anticipate and react to the impacts of this shift, its business and results of operations may be adversely affected.

Functioning of Digital Asset Trading Platforms

The Company has acquired Ether and may acquire additional Ether. In the event that there are future purchases of digital assets, the Company intends to acquire those digital assets on liquid, regulated exchanges approved by the board of directors. However, there are no assurances that digital asset trading platforms on which the Company transacts will continue to operate effectively, maintain adequate liquidity or that their AML and KYC policies and procedures will be effective, which could negatively impact the Company and its ability to acquire or sell Ether and other digital assets.

Regulation of Blockchain & Digital Assets

The regulatory and legal regimes governing blockchain technologies and digital assets across the globe are uncertain and evolving, and new regulations, protocols or policies, including a change of laws, potential bans or restrictions on the trading of digital assets, may impact the demand for Ether and materially and adversely affect the Company.

As digital assets have grown in popularity and in market size, governments, regulators and self-regulators (including law enforcement and national security agencies) around the world are examining the operations of digital asset issuers, customers and platforms. To the extent that any Canadian or other government or quasi-governmental agency imposes additional substantial regulation on any part of the digital asset industry in general, the issuance of digital assets, and trading and ownership of and transactions involving the purchase and sale or pledge of such assets, may be adversely affected, which could adversely affect the Company's businesses and investments.

The effect of any future regulatory change on digital asset issuers and participants in general is impossible to predict, but such change could materially and adversely affect the Company's trading execution, the value of its assets, the prospects for new products and services to be offered by the Company, and the value of any investment in the Company.

The legal status of digital assets varies substantially from jurisdiction to jurisdiction and is still undefined and changing in many of them. Likewise, various government agencies, departments, and courts have classified and continue to classify digital assets differently. Changes in laws,

regulations, policies and practices could have an adverse effect on the Company, its strategies, business and investments. For example, regulatory agencies could shut down or restrict the operation of digital asset trading platforms, using digital assets or blockchain-based technologies, providing certain services with respect to the foregoing, or otherwise limit the use of digital assets. This, and any other changes in laws, regulations, policies and practices, could lead to a loss of any investment made by or in the Company, and may trigger regulatory action by securities or other regulators, and result in a material impact to the Company's business operations and revenue streams. Furthermore, various jurisdictions may, in the near future, adopt laws, regulations or directives that affect digital assets, the related markets and digital asset trading platforms and the ability to use, trade and hold digital assets. Such laws, regulations or directives may conflict with one another and may negatively affect the acceptance of digital assets by customers, merchants and service providers and may therefore impede the growth or sustainability of the digital assets economy in Canada or other locations and globally, or otherwise negatively affect the value of digital assets. Although there continues to be uncertainty about the full impact of these and other regulatory changes, the Company may become subject to a more complex regulatory framework in the near future and incur additional costs to comply with new requirements as well as to monitor for compliance with any new requirements in the future.

Uncertainty Regarding the Growth of Blockchain and Web3 Technologies

The further development and use of blockchain, Web3 technologies and digital assets are subject to a variety of factors that are difficult to evaluate and predict. The slowing of or stopping of the development or acceptance of blockchain networks, specifically Ethereum, and digital assets would have a material adverse effect on the Company. Furthermore, blockchain and Web3 technologies, including Ethereum, may never be implemented to a scale that provides identifiable economic benefit to blockchain-based businesses, including the Company.

The Ethereum network and Ether as digital asset have a limited history. Due to this short history, it is not clear how all elements of Ether will unfold over time, specifically with regard to governance between stakers, developers and users, as well as the long-term security model as the rate of inflation of Ether decreases. Since the Ether community has successfully navigated a considerable number of technical and political challenges since its inception, the Company believes that it will continue to engineer its way around future challenges. The history of open-source software development would indicate that vibrant communities are able to change the software under development at a pace sufficient to stay relevant. The continuation of such vibrant communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate could have an adverse impact on the business of the Company.

Potential Decrease in Global Demand for Ether

As a cryptocurrency, Ether is intended to be used as a means of exchange, store of value, and unit of account. Many people using Ether as money-over-internet-protocol (MoIP) do so with it as an international means of exchange. Speculators and investors using Ether as a store of value then layer on top of means of exchange users, creating further demand. If consumers stop using Ether as a means of exchange, or its adoption therein slows, then Ether's price may suffer, adversely affecting the Company.

Investors should be aware that there is no assurance that Ether will maintain its long-term value in terms of purchasing power in the future or that the acceptance of Ether for payments by mainstream retail merchants and commercial businesses will continue to grow. As relatively new products and technologies, Ether and the Ethereum network have yet to become widely accepted as a means of payment or as a technology layer for activities outside of crypto native blockchain activities. The Company believes that, like any commodity, Ether will fluctuate in value, but over time will gain a level of acceptance as a store of value, medium of exchange or token of utility.

Financial Institutions may refuse to Support Transactions involving Digital Assets

In the uncertain regulatory climate for digital assets, including Ether, regulated financial institutions may cease to support transactions involving digital assets, including the receipt of cash proceeds from sales of digital asset. Should this occur, the Company's business, prospects, financial condition, results of operations or cash flows could be materially adversely affected.

Security Risks

Several security risks may adversely affect the Company. Blockchain, Web3 technologies and digital assets are at risk of cyber-security breaches and attacks. Accordingly, the Company and the projects, protocols and businesses that it may invest in are subject to these threats. Furthermore, the Company's information technology and infrastructure may be vulnerable to security breaches and cyber-attacks or breaches due to employee error, malfeasance or other disruptions.

The information and technology systems used by the Company and other service providers may be vulnerable to damage or interruption from, among other things: computer viruses; network failures; computer and telecommunication failures; infiltration by unauthorized persons or other security breaches, such as SIM swapping, unauthorized safety deposit box access, potential flaws in the Company's multi-signature wallet setup that are yet unknown, including with respect to HSM seed generation; usage errors by their respective professionals; power outages; terrorism; and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Company or a service provider may have to make a significant investment to fix or replace them. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in operations and result in a loss of all or a material amount of the Ether, including Staked Ether and Consensus Layer Rewards owned by the Company. Such a failure could harm the Company's reputation, subject it to legal claims and otherwise materially and adversely affect the Company. This risk is particularly notable in respect of its potential impact on preventing the Company from unbonding Staked Ether where circumstances prevent such activity for any reason.

Digital Asset Custody Risk

Digital assets are exposed to unique risks of loss or theft, relative to traditional assets. If the credentials (or private keys) to a digital wallet or asset are lost, stolen or destroyed, the digital assets are not recoverable and would be lost by the Company. The Company uses unique physical devices each with a unique backup. Should there be a flaw in the physical devices or uniqueness to how the randomness is generated, the Company may also be at risk of losing access to the assets. This may extend to loss of physical access due to acts of God or an unforeseen change in access controls. Industry best practices continue to emerge, and it is also possible that updates to software,

firmware and device changes may not be completed in a timely way should there be an event requiring the Company to update its custody procedures before a loss of digital assets occurs. In addition, at brief periods of time, digital assets may be held in "hot wallets" which are considered to be higher risk of theft through cyber hacks.

Smart Contract Risk

The Ethereum network is based upon the development and deployment of smart contracts, which are self-executing contracts with the terms of the agreement written into software code. There are thousands of smart contracts currently running on Ethereum. Like all software code, smart contracts are exposed to risk that the code contains a bug or other security vulnerability, which can lead to loss of assets that are held on or transacted through the contract. The Ethereum developer community audits widely used smart contracts frequently and publishes the results of such audits on public forums, but there is no guarantee that any such audits would reveal bugs or other issues.

Insurance Risk

The Company is not insured against every risk to which it is exposed, including those related to custody of assets. Based on the Company's review of insurance options to date, the Company has not identified insurance that would be available on commercially reasonable terms.

Risks Associated with the Ethereum Network

Dependence on Ethereum Network Developers

Governance of the Ethereum network is by voluntary consensus and open competition. As a result, there may be a lack of consensus or clarity on the governance of the Ethereum network, which may stymie the Ethereum network's utility and ability to grow and face challenges. In particular, it may be difficult to find solutions or martial sufficient effort to overcome any future problems on the Ethereum network, especially long-term problems.

The foregoing notwithstanding, the Ethereum network's protocol is informally managed by a group of core developers that propose amendments to the Ethereum network's source code. The core developers evolve over time, largely based on self-determined participation. To the extent that a significant majority of users and validators adopt amendments to the Ethereum network, the Ethereum network will be subject to new protocols that may adversely affect the value of Ether. In addition, if a digital asset network has high-profile contributors, a perception that such contributors will no longer contribute to the network could have an adverse effect on the market price of the related digital asset.

The open-source nature of the Ethereum, network protocol as well as many digital asset network protocols means that while many contributors to the Ethereum network's open-source software are employed by companies in the industry, most of them are not directly compensated for helping to maintain the protocol. As a result, there are no contracts or guarantees that they will continue to contribute to the Ethereum network's software (https://github.com/ether and https://github.com/orgs/ether/people). As a result, the developers and other contributors of a particular digital asset may lack a financial incentive to maintain or develop the network or may lack the resources to adequately address emerging issues. Alternatively, some developers may be funded by companies whose interests are at odds with other participants in a particular digital asset

network. If the Ethereum network does not successfully develop its policies on supply and issuance or does so in a manner that is not attractive to network participants, there may not be sufficient network level support for such network, which could lead to a decline in the support and price of Ether, which would have a material adverse effect on the value of the Common Shares.

Validator Nodes

A validator is a node on a PoS blockchain that is responsible for securing the network, storing the history of transactions and confirming the validity of new transactions added to the next block in the chain. On the Ethereum network, a validator must stake 32 Ether in order to participate in maintaining the network. When a validator confirms a transaction, the validator receives a fee, sometimes referred to as a block reward. Validators range from Ethereum enthusiasts to professional operations that run cloud infrastructure and/or design and build dedicated machines and data centers. During the course of ordering transactions and validating blocks, validators may be able to prioritize certain transactions in return for increased transaction fees, an incentive system known as "Maximal Extractable Value" or MEV. For example, in blockchain networks that facilitate DeFi protocols in particular, such as the Ethereum network, users may attempt to gain an advantage over other users by increasing offered transaction fees. Certain software solutions, such as flashbots, have been developed which facilitate validators in capturing MEV produced by these increased fees.

Issues with the Cryptography Underlying the Ethereum Network

Although the Ethereum network is one of the world's most established digital asset networks, the Ethereum network and other cryptographic and algorithmic protocols governing the issuance of digital assets represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. In the past, flaws in the source code for digital assets have been exposed and exploited, including flaws that disabled some functionality for users, exposed users' personal information and/or resulted in the theft of users' digital assets. The cryptography underlying Ether could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to take the Ether held by the Company. Moreover, functionality of the Ethereum network may be negatively affected such that it is no longer attractive to users, thereby dampening demand for Ether. Even if another digital asset other than Ether were affected by similar circumstances, any reduction in confidence in the source code or cryptography underlying digital assets generally could negatively affect the demand for digital assets and therefore adversely affect the business of the Company.

Disputes on the Development of the Ethereum Network may lead to Delays in the Development of the Network

There can be disputes between contributors on the best paths forward in building and maintaining the Ethereum network's software. Furthermore, the stakers supporting the network and other developers and users of the network can disagree with the contributors as well, creating greater debate. Therefore, the Ethereum community often iterates slowly upon contentious protocol issues, which many perceive as prudently conservative, while others worry that it inhibits innovation. It will be important for the community to continue to develop at a pace that meets the demand for transacting in Ether, otherwise users may become frustrated and lose faith in the network. As a

decentralized network, strong consensus and unity is particularly important to respond to potential growth and scalability challenges.

The Ethereum Blockchain may Temporarily or Permanently Fork and/or Split

The Ethereum network's software and protocol are open source. When a modification is released by the developers and a substantial majority of participants consent to the modification, the change is implemented and the Ethereum network continues uninterrupted. However, if a change were activated with less than a substantial majority consenting to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "hard fork" (i.e. a split) of the Ethereum network (and the blockchain). One blockchain would be maintained by the pre-modified software and the other by the post-modification software. The effect is that both blockchain algorithms would be running parallel to one another, but each would be building an independent blockchain with independent native assets. After a fork in the chain, there may be periods where exchanges, liquidity, service providers, assets and activities are paused or inaccessible for an indefinite period of time until a resolution or clear dominant fork emerges as being supported by the community.

Although forks are likely to be addressed by a community-led effort to merge the two groups, such a fork could adversely affect Ether's viability.

Dependence on the Internet

Ether validators relay transactions to one another via the internet, and when blocks are validated they are also forwarded via the internet. Users and developers access Ethereum via the internet. Thus, the Ethereum network is dependent upon the continued functioning of the internet.

Risk if Entity Gains Meaningful Share of the Ethereum Network Validators

If an entity or group gains control over a meaningful portion of the Ethereum network's validators, it is possible with malicious intent for such entity or group to prevent transactions from being confirmed, create false transactions or attempt to alter a portion of the blockchain's history. Under the current consensus implementation, an entity, or group of entities that control 66% of validators for a period of approximately 12 minutes would be able to finalize a false set of transactions.

Different than a PoW network which is susceptible to 51% attacks and a network design where no transaction is ever truly considered 'final,' in PoS, should an entity or group attempt to attack the network with 51% control, it would be possible for the entity or group to produce irregular state transitions. However, such irregular state transactions could not achieve finality without a 66% control of validators.

Much of the above is theoretical and has not taken place to date on the Ethereum PoS network so there is a risk that a 51% attack could produce a different outcome than described.

Should a 51% of 66% attack on the network emerge and succeed, this would significantly erode trust in the Ethereum network to store value and confirm assets and activities within the ecosystem in a reliable and trustworthy way.

Attacks on the Ethereum Network

The Ethereum network has been subject to distributed denial of service attacks resulting in limited, restricted or a halt in access or ability to transact.

This risk has been substantially mitigated since Ethereum transitioned to a PoS network beginning in December 2020 with the launch of the Beacon Chain and culminating with the Merge in September 2022.

Additional upgrades are planned, and these upgrades will result in new iterations of the Ethereum network. Many of the contemplated upgrades the Ethereum network will include updates to material aspects of its source code. Although some of these upgrades have been successfully implemented, such as the Merge, the Shanghai upgrade and the Dencun upgrade, previously successful upgrades do not guarantee that future upgrades will be successful, and any failure to properly implement future changes could have a material adverse effect on the value of Ether and the value of the Common Shares.

Decrease in Block Reward or Yield

In the event of a material decrease in the block reward to the Ethereum network, stakers may cease to provide their validation services to the consensus mechanism for the Ethereum network blockchain. If some stakers decide to stop participating because the yield is too low, remaining stakers will enjoy a higher yield.

Competitors to Ether and the Ethereum Network

Currently, Ether is the second largest digital asset by market capitalization. To the extent a competitor to Ether gains popularity and greater market share, the use and price of Ether could be negatively impacted, which may adversely affect the investments of the Company. While Ether has enjoyed some success in its limited history, the aggregate value of outstanding Ether is smaller than that of BTC and may be eclipsed by the more rapid development of other digital assets. In addition, while Ether was the first digital asset with a network that served as a smart contracts platform, a number of newer digital assets also function as smart contracts platforms, including Solana, Avalanche and Polkadot. Some industry groups are also creating private, permissioned blockchain versions of Ethereum.

It is unclear at this time if these new networks or consensus strategies for a smart contract platform will gain market share away from the Ethereum community. It is also possible new technology emerges that solves for the 'nothing at stake' problem, whereby distributed anonymous consensus and validation can be achieved without a native protocol token. Should such a technology exist, it is possible demand for Ether would decline materially.

Risks Associated with Investments in Solana/SOL

Illiquidity of Staked SOL During Bonding and Unbonding Periods

The Solana Network imposes "bonding" periods on newly staked SOL, during which the staked assets are ineligible for rewards and cannot be withdrawn. The bonding period typically lasts for one full "epoch" (approximately two days). Similarly, withdrawing staked SOL ("unbonding") also

requires one full epoch. If an epoch on the Solana Network extends beyond the usual two days, the bonding and unbonding processes will also be extended.

Additionally, the Solana Network imposes limits on the total amount of SOL that can be staked or unstaked within a single epoch. A significant increase in staking or unstaking activity may result in bonding and unbonding periods lasting longer than one epoch.

During these bonding and unbonding periods, and while SOL remains staked, the Company will be unable to withdraw or liquidate the staked SOL. This illiquidity may prevent the Company from realizing the fiat value of its staked SOL or any rewards earned during these periods. Given the inherent volatility of SOL, the value of staked SOL at the end of the unbonding period may be significantly lower than its value at the time the decision to withdraw was made. Such delays and potential losses could adversely affect the Company's business.

Short History Risk for Proof-of-History and Proof-of-Stake Blockchain Networks

The Solana Network operates using a combination of proof-of-history and proof-of-stake consensus models. These models are relatively new compared to the more established proof-of-work model and have not been tested extensively at scale. As a result, proof-of-history and proof-of-stake blockchain networks may not operate as intended under all conditions.

If these consensus mechanisms fail to function as designed or do not achieve widespread adoption, the value of digital assets that rely on them, such as SOL, could be negatively impacted. Such outcomes could adversely affect the Company's business, the value of its staked SOL, and any rewards earned from staking activities.

Reliance on Third-Party Vendors for Staking Activities

The Company's staking activities in SOL (the "**Staking Activities**") depend on third-party service providers acting as validators, as well as the vendors and service providers supporting these validators. These activities could be disrupted if any of these third-party providers encounter operational or systems difficulties, fail to comply with regulations, terminate their services, increase their prices, or engage in disputes over intellectual property rights sold, licensed, or developed for the Company. Additionally, the Company may face consequences arising from errors or failures by these providers.

For example, if a third-party validator fails to perform as expected, suffers a cybersecurity breach, experiences security vulnerabilities, or encounters operational problems, the Company's assets could be permanently lost. Capacity constraints, operational failures, or the termination of service agreements with vendors or third-party providers could also disrupt the Company's Staking Activities. Any changes to the terms, availability, or pricing of these services could result in delays, increased costs, or interruptions.

Replacing vendors or addressing issues with third-party providers could require significant time, expense, and effort, leading to potential disruptions in the Company's operations. If the Company is unable to secure alternative vendors or service providers promptly, or on reasonable terms, the Staking Activities could be significantly interrupted or halted, adversely affecting the Company's business.

Risks of Slashing and Missed Rewards in Staking Activities

The Solana Network imposes requirements for participation in its decentralized governance activities and may enforce slashing penalties if validators fail to perform these activities correctly. Such penalties may be imposed, for example, if a validator acts maliciously or "double signs" a transaction. While programmatic slashing (i.e., an automated penalty mechanism, such as that implemented on the Ethereum Network) has not yet been implemented on the Solana Network, it is anticipated that such a mechanism may be introduced in the near future. Under the current configuration of the Solana Network, slashing is based on social consensus following a network restart when a "safety violation" occurs (e.g., a validator acting maliciously).

Once programmatic slashing is implemented, validators may also be penalized for extended downtime or other operational failures. If a validator selected by the Company for its staking activities is slashed, the Solana Network may confiscate, withdraw, or burn a variable amount of the Company's staked SOL. Even in the absence of slashing penalties, the Company would forgo any staking rewards during periods when a validator is inactive or experiencing downtime. There is no guarantee that the Company or its validators will avoid slashing penalties, nor is there any assurance that the Company will recover any portion of SOL lost as a result of such penalties.

Additionally, the Solana Network enforces bonding periods for newly staked SOL, during which staked assets are ineligible to earn rewards and cannot be withdrawn. The bonding period typically lasts one full epoch (approximately two days). For further details, see "*Risk Factors – Risks Associated with Investments in Solana – Illiquidity of Staked SOL During Bonding and Unbonding Periods*" above.

Insufficient Due Diligence on Validators for Staking Activities

The Company may face the risk of loss of staked SOL if a third-party service provider selected to act as a validator fails to operate its network node(s) in accordance with the rules of the Solana Network. Additionally, the Company may forgo rewards during periods when a validator is inactive. To mitigate these risks, the Company plans to conduct due diligence on third-party service providers prior to engaging them as validators for the Staking Activities. This due diligence will consider factors such as:

- The individuals managing and directing the validator's operations;
- The validator's reputation and usage by other parties;
- The amount of digital assets the validator has staked on its own nodes;
- The security and reliability measures employed by the validator;
- The financial stability of the validator;
- The validator's performance history, including downtime, "double signing," and "double attestation/voting"; and
- Any history of slashing penalties incurred by the validator.

Despite these efforts, it is possible that new information could emerge after the Company's initial assessment, demonstrating that the validator does not meet the required standards. In such cases, the Company may face risks outlined in "*Risk Factors – Risks Associated with Investments in Solana – The Staking Activities: Slashing and Missed Rewards*," and the Staking Activities may be interrupted or disrupted.

The process of selecting and transitioning to alternative validators could lead to significant interruptions, delays, or disruptions to the Company's operations. Furthermore, even if an issue is identified with a validator, the SOL staked with that validator may still be subject to an unbonding period during which the Company must continue relying on the validator's services. This reliance during the unbonding period could prolong exposure to risks associated with the validator's operations. See "*Risk Factors – Risks Associated with Investments in Solana – The Staking Activities: Illiquidity During Bonding and Unbonding Periods*" above.

Insufficient Due Diligence on the Solana Network

In addition to the due diligence described in "*Risk Factors – Risks Associated with Investments in Solana/SOL – Insufficient Due Diligence on Validators for Staking Activities*," the Company has conducted a review of the Solana Network's operations and staking mechanism for SOL. This review included an assessment of publicly available information regarding:

- Material technical risks related to the Solana Network's staking mechanism, including potential code defects, security breaches, and other threats;
- The scope and applicability of slashing and other penalties;
- The compatibility of the Solana Network's staking mechanism with the Company's staking infrastructure;
- Legal and regulatory risks associated with the staking mechanism, including any past, pending, or potential civil, regulatory, criminal, or enforcement actions related to the issuance, distribution, or use of SOL;
- Bonding and unbonding periods;
- Limits on the number of active validators;
- The mechanism for selecting validators; and
- Token inflation.

If new information arises that reveals the Company's initial review failed to adequately account for unacceptable risks associated with the Solana Network's staking mechanism, the Company may determine that discontinuing the Staking Activities is in its best interest. Such a decision could coincide with, or contribute to, a rapid decline in the value of SOL, which may adversely impact the Company's business operations and the value of its Common Shares.

The Company is subject to the risk that there may be limited liquidity in SOL while it undertakes these steps – especially if SOL continues to be staked or subject to the unbonding period referenced above in "*Risk Factors – Risks Associated with Investments in Solana – The Staking Activities: Illiquidity During Bonding and Unbonding Periods*". Reduced liquidity could impair the Company's ability to efficiently buy, sell, or otherwise manage its SOL holdings, potentially adversely affecting its operations and the value of the Common Shares.

No Guarantee of Rewards from Staking Activities

The Company cannot guarantee that it will receive any rewards from staking SOL. Past rewards are not indicative of future returns, and the staking rewards the Company may earn, if any, are subject to a variety of factors, including:

- Fluctuations in the inflation rate of the Solana Network;
- The total amount of SOL staked by users across the Solana Network;
- The total amount of SOL staked as part of the Company's Staking Activities;
- Protocol governance decisions that result in changes to the Solana Network;
- Adjustments to validator fees set by approved validators;
- Downtime of approved validators, whether anticipated or unanticipated;
- Halts, outages, or interruptions affecting the Solana Network;
- Outages or interruptions involving third-party service providers participating in the Staking Activities;
- "Slashing" of staked SOL due to rule violations by approved validators;
- Validators losing eligibility to participate in the proof-of-stake mechanism and earn rewards;
- Bonding, unbonding, or other lock-up periods imposed by the Solana Network;
- Whether staking rewards are re-staked, either automatically by the Solana Network or as part of the Company's operations;
- The re-delegation of the Company's staked SOL to different validators; and
- Delays or operational challenges impacting the Staking Activities.

The absence or reduction of rewards due to any of these factors could have a materially negative effect on the Company's business and have a materially negative adverse effect on the value of its Common Shares.

Uncertain Tax Consequences of Staking Activities

The tax treatment of staking rewards earned through the Company's Staking Activities remains unclear, as Canadian tax authorities have not yet issued specific guidance on this matter. As a result, there is no assurance that the Canadian tax authorities will agree with the Company's interpretation or position regarding the tax implications of its Staking Activities. If the Canadian tax authorities adopt a contrary position, this could materially and adversely affect the Company's financial position and operations, potentially resulting in a material adverse impact on the value of the Common Shares.

Regulatory Changes Affecting Staking Activities

The potential impact of future regulatory changes on the Company or SOL is unpredictable. However, any such changes could have a significant and adverse effect on the Company's business and may materially and adversely affect the value of the Common Shares.

Limited History Risk - Solana

The Solana Network and SOL, the associated digital asset or token, have a relatively short history. As a result, there is uncertainty about how various aspects of SOL will evolve over time, including governance among developers, validators, stakers, and users, as well as the long-term implications of its security model as SOL's inflation rate decreases. While the SOL community has demonstrated an ability to address significant technical and organizational challenges since its launch, there is no assurance that this adaptability will continue indefinitely. The success of open-source projects often relies on the engagement and vitality of their communities, but this cannot be guaranteed. Any decline in community participation, inadequate software development, or

unforeseen obstacles that the community cannot resolve could negatively affect the value of the Company's Common Shares.

Limited History and Market Adoption of SOL

SOL represents a relatively new technological innovation with a brief history. There is no certainty that the adoption and utilization of SOL and its underlying blockchain will continue to expand. The value of the Company's Common Shares is partially tied to the ongoing development and broader acceptance of the Solana Network. A decline in the use or adoption of SOL or its blockchain could lead to heightened price volatility or a decrease in the value of SOL, which may materially and adversely affect the value of the Common Shares.

Volatility and Competitive Risks Associated with SOL Markets

The markets for SOL are highly sensitive to new developments. As trading volumes are still maturing, significant changes in market sentiment—whether driven by media sensationalism or other factors—can lead to sharp fluctuations in trading volume and, consequently, price volatility. Such volatility could negatively impact the value of the Company's Common Shares.

The price of SOL on public digital asset trading platforms has a limited history and has been subject to substantial volatility, influenced by factors such as liquidity levels on these platforms. Even major trading platforms have experienced operational interruptions, restricting liquidity and contributing to price instability. Such disruptions may erode confidence in both the Solana Network and the broader digital asset market, potentially affecting the value of the Common Shares.

SOL's pricing dynamics may also reflect momentum-driven valuation, similar to growth stocks and speculative assets, where public valuation anticipates future appreciation. This speculative pricing can amplify volatility as investor sentiment regarding SOL's future potential shifts, which may adversely affect the value of the Common Shares.

Although the Solana Network offers distinct advantages over other blockchain protocols, there is no guarantee that it will maintain its position in the digital asset ecosystem. A perceived or actual shortcoming in the Solana protocol, if not promptly addressed, or the emergence of a competing digital asset with superior features, could result in diminished demand for SOL. If an alternative digital asset gains significant market share—whether through market capitalization or adoption as a payment technology—SOL's market position could weaken, reducing its demand and price, and in turn adversely affecting the value of the Common Shares.

Potential Decline in Global Demand for SOL

For SOL to function effectively as a currency, it must fulfill the roles of a medium of exchange, store of value, and unit of account. A significant portion of SOL usage is driven by its role as an international means of exchange, often referred to as money-over-internet-protocol (MoIP). This base demand is further amplified by speculators and investors who treat SOL as a store of value. If consumer use of SOL as a medium of exchange decreases or its adoption slows, the resulting decline in demand could adversely impact the value of the Common Shares.

There is no guarantee that SOL will retain its long-term purchasing power or that its acceptance by mainstream retail and commercial businesses will continue to expand. Should the price of SOL decrease, the value of the Common Shares may decline correspondingly. While SOL and the Solana Network represent innovative technologies, their adoption as a widely accepted payment method remains limited, particularly among major retailers and commercial businesses. Consumer use of SOL for everyday transactions is still in its early stages.

Moreover, established financial institutions, such as banks, may be reluctant to process transactions involving SOL or to facilitate wire transfers related to digital asset trading platforms, Solana-related entities, or other service providers in the ecosystem. These barriers could hinder further adoption and usage. Conversely, a significant share of demand for SOL originates from speculators and investors seeking to capitalize on its potential for price appreciation, either in the short or long term. While the Company believes that SOL may eventually achieve broader acceptance as a store of value, medium of exchange, or utility token, its value is expected to remain volatile, subject to fluctuations in market sentiment and adoption trends.

Risks Related to the Underlying Value of SOL

SOL represents an emerging form of digital value that society is still in the process of understanding and integrating. Its intrinsic value is primarily tied to its utility as a store of value, medium of exchange, and unit of account, as well as the demand for SOL in these applications. Similar to how commodities like oil derive their value from supply and demand dynamics based on their utility—for example, in powering machinery or manufacturing plastics—SOL's value is influenced by the global supply and demand for its use in areas such as remittances, business-to-business (B2B) payments, time-stamping, and other applications.

SOL Ownership Concentration Risk

As of September 26, 2024, the top 100 SOL addresses held approximately 22% of the total tokens in circulation, a decrease from over 30% in June 2024. If one of these major holders were to liquidate their SOL positions, it could lead to significant market volatility, potentially adversely affecting the value of the Common Shares. It is important to note that some holders may distribute their SOL across multiple addresses, which can obscure the true concentration of holdings. Additionally, the top 10 SOL holders owned 6.5% of the supply as of September 2024, down from 9% in November 2023.

This concentration of ownership among a small number of holders poses a risk to the value of the Common Shares. Investors should be aware of these dynamics when considering the potential risks associated with the Company's investments in SOL.

Risk of Loss or Compromise of "Private Keys"

The Company's ability to access and manage its holdings of SOL is dependent on the security and availability of certain "private keys," which are cryptographic codes required to access and control SOL stored in blockchain addresses. The loss, theft, or destruction of these private keys could render the Company unable to access its SOL, resulting in the permanent loss of all or a substantial portion of the Company's SOL. Such a permanent loss could have a substantial negative impact

on the Company and could have a material adverse effect on the value of the Common Shares. For more information on the risks associated with storing digital assets such as SOL in custody using private keys, please see "*Risk Factors – Risks Associated with Investments in Ethereum and Blockchain Technologies – Digital Asset Custody Risk*" above.

Absence of a Regulated Futures Market for SOL

Unlike Bitcoin and Ether, no recognized Canadian exchange currently offers a regulated futures market for SOL. This lack of a regulated futures market may negatively impact the liquidity of SOL. In an illiquid market, the Company may be unable to liquidate its SOL at a desired price, potentially leading to significant losses for the Company and its shareholders.

See "*Risk Factors – Risks Associated with Investing in SOL – Fund's Holdings May Become Illiquid*" below.

The Company's Holdings May Become Illiquid

The Company may not always be able to liquidate its SOL at a desired price. Executing a trade at a specific price may prove challenging when there is relatively low trading volume in the marketplace, including on digital asset trading platforms such as Canadian Dealer CTPs or through futures markets (should one be established). Furthermore, as noted in "*Risk Factors – Risks Associated with Investing in SOL – Absence of a Regulated Futures Market for SOL*," unlike Bitcoin and Ether, there is currently no recognized exchange in Canada offering a regulated futures market for SOL, which may negatively affect SOL's liquidity.

Additionally, the significant size of SOL holdings that the Company may acquire could increase the risks of illiquidity. Large holdings may be difficult to liquidate, and any attempt to do so could significantly impact SOL's price. Unexpected market illiquidity may result in substantial losses for SOL holders, including the Company and its shareholders.

Improper Transfers

SOL transfers are irreversible. An improper transfer—whether due to error or theft—can only be rectified if the recipient agrees to return the SOL in a separate subsequent transaction. If the Company mistakenly transfers SOL in incorrect amounts or to unintended recipients, the Company may be unable to recover the SOL, which could adversely affect the value of the Common Shares.

Evolving and Uncertain Regulatory Landscape

Due to SOL's relatively short history and its emergence as a novel asset class, the regulatory environment for SOL, both in Canada and internationally, remains under development and is subject to ongoing evolution. The CSA have not issued a formal classification of SOL, while the U.S. Securities and Exchange Commission (SEC) has indicated that SOL may be considered a security under U.S. federal securities laws. On June 6, 2023, the SEC initiated enforcement proceedings against certain digital asset trading platforms (the "**Enforcement Proceedings**") related to the sale of certain digital assets, including SOL, and staking-as-a-service programs. In these proceedings, the SEC alleged that SOL is a security under U.S. federal securities laws.

However, the Solana Foundation and Solana Labs are not parties to the Enforcement Proceedings, and U.S. courts have not made a final determination on SOL's classification as a security.

Should a Canadian or U.S. court determine that SOL is a security, or if other material developments arise regarding the treatment of SOL under securities laws in Canada, the U.S., or other jurisdictions, it could adversely affect the market for SOL and the value of the Common Shares. While the Company believes the regulatory landscape for SOL will evolve in a manner that fosters innovation while protecting consumers, a regulatory environment that is hostile toward SOL could have a negative impact on the value of the Common Shares.

Additionally, many marketplaces and over-the-counter (OTC) counterparties that trade or facilitate the trading of digital assets are not currently subject to registration or licensing requirements with financial regulatory bodies. Consequently, they may not adhere to prescribed KYC, reporting, and recordkeeping requirements applicable to regulated financial services firms and other reporting entities under anti-money laundering (AML) regulations. The Company will use reasonable efforts to ensure that each exchange or institutional liquidity provider from which it may purchase SOL has adopted KYC procedures reflecting industry best practices to comply with AML requirements in their respective jurisdictions.

Risks Associated with the Solana Network

Dependence on Solana Network Developers

While many contributors to Solana Network's open-source software are employed by companies in the industry, most of them are not directly compensated for helping to maintain the protocol. As a result, there are no contracts or guarantees that they will continue to contribute to Solana Network's software (https://github.com/solana-labs/solana and https://github.com/orgs/solana-labs/people).

Concerns Regarding Network Decentralization

The Solana Network's hardware requirements and the substantial amount of SOL needed to operate a validator node present significant barriers to entry for new validators, potentially leading to centralization. Centralization in digital asset networks can result in a small number of nodes or entities exerting disproportionate control over decision-making, governance, and network rules, raising concerns related to security, control, fairness, manipulation, and the risk of double-spending.

In proof-of-stake networks like Solana, centralization is particularly concerning when a limited number of validators control a large portion of the total stake. Validators controlling over one-third of the total stake can collude to halt consensus on the blockchain—a scenario known as a "superminority"—thereby disrupting the network. As of September 6, 2023, Solana's Nakamoto Coefficient, which measures the minimum number of validators required to compromise the network's consensus, stands at 31.

This indicates that the 31 largest validators could theoretically collude to halt the Solana Network. Furthermore, Solana Labs, the company that originally developed the Solana Network, and the Solana Foundation, a non-profit organization supporting the network's decentralization,

growth, and security, continue to play significant roles in the development and maintenance of the Solana Network, including its operations and governance. If substantial issues arise within Solana Labs or the Solana Foundation—such as internal disputes, funding challenges, or strategic missteps—confidence in the Solana Network and SOL could be significantly undermined. This may negatively impact the business of the Company and adversely affect the value of the Common Shares.

Impact of Increased Usage on the Solana Network's Capacity

The Solana Network has recently experienced significant congestion, resulting in widespread transaction failures. This congestion has been attributed to surges in network traffic, driven in part by increased algorithmic trading and "meme coin" activity on the network. If these issues persist and the community is unable to scale the Solana Network to meet the growing demand for transactions, users may become frustrated and lose confidence in the network.

Such loss of faith in the Solana Network could negatively impact the demand for SOL, potentially reducing its value and adversely affecting the value of the Common Shares.

Potential for Forks or Splits in the Solana Blockchain

The Solana Network's software and protocol are open source. When modifications to the protocol are released by developers and a substantial majority of validators consent, the changes are implemented seamlessly, allowing the Solana Network to continue operating without interruption. However, if a modification is adopted without substantial majority consent and is incompatible with the existing software, the Solana Network could experience a "hard fork," resulting in a split of the blockchain. This would create two separate blockchains: one operating on the pre-modified software and the other on the post-modification software. Each blockchain would operate independently and produce its own native assets (e.g., SOL 1 and SOL 2).

Although forks may be resolved through community-led efforts to merge the two groups, such splits could harm SOL's long-term viability and reduce confidence in the Solana Network.

If a fork results in: (i) the issuance to the Company of an additional digital asset alongside its existing SOL holdings; or (ii) the need to choose between retaining the existing SOL or exchanging/replacing it with a new digital asset, the Company will make an investment decision that it believes is in the best interest of its shareholders at the time. Factors influencing this decision may include the value and liquidity of the new or replacement asset (the "Forked Asset") and whether a disposition of the Forked Asset would result in a taxable event for the Company.

Digital assets are also vulnerable to "airdrops," whereby promoters distribute new digital assets to existing holders at no cost. However, airdrops are inherently uncertain and not guaranteed, meaning the Company may not derive any benefit from such distributions.

Risks Related to the Cryptography Underlying the Solana Network

The Solana Network, along with the cryptographic and algorithmic protocols that govern the issuance of digital assets, represents a rapidly evolving and complex industry. Historically, flaws in the source code of digital assets have been identified and exploited, leading to outcomes such

as disabled functionality, exposure of personal information, or theft of digital assets. The cryptography underlying SOL could similarly prove to be flawed or ineffective. Advances in mathematics and technology, including developments in digital computing, algebraic geometry, and quantum computing, could render the cryptographic security of SOL vulnerable or obsolete.

In such circumstances, a malicious actor could potentially gain access to the Company's SOL holdings, resulting in significant losses that could adversely affect the value of the Common Shares. Furthermore, vulnerabilities in the Solana Network's cryptography could compromise its functionality, making it less attractive to users and reducing demand for SOL.

Even if such vulnerabilities were to affect digital assets other than SOL, any resulting loss of confidence in the source code or cryptography underlying digital assets as a whole could negatively impact the market for digital assets, including SOL, and thereby adversely affect the value of the Common Shares.

Dependence on the Internet

Users and developers access Solana via the internet. Please see "*Risk Factors – Risks Associated with the Ethereum Network – Dependence on the Internet*" above for risks related to uses and development of the Solana Network via the internet.

Vulnerability of the Solana Network to Attacks and Outages

The Solana Network has experienced several outages and attacks in recent years, including:

- **September 14, 2021**: A distributed denial of service (DDoS) attack caused an outage lasting approximately 17 hours.
- **January 21, 2022**: Another DDoS attack led to an outage of about 48 hours.
- **February 25, 2023**: The network experienced an outage lasting approximately 19 hours.
- **February 6, 2024**: A software bug resulted in an outage lasting approximately 5 hours.

Additionally, on **February 2, 2022**, the Wormhole Bridge—a protocol facilitating the transfer of tokens and NFTs between the Solana Blockchain and other blockchains—was exploited, leading to losses exceeding $320 million.

These incidents may reduce confidence in SOL, potentially adversely affecting the value of the Common Shares. During network outages, the Company may be unable to withdraw or liquidate its SOL holdings, which could impact its operations and financial position.

Threat of a 51% Attack

Similar to the risk factor above entitled "*Risk Factors – Risks Associated with the Ethereum Network – Risk if Entity Gains Meaningful Share of the Ethereum Network Validators*", if a malicious actor or botnet (a coordinated network of computers, potentially compromised or voluntarily participating, controlled by software) were to gain control of more than 50% of the validating power on the Solana Network, it could manipulate the Solana Blockchain. This control could enable the malicious actor or botnet to construct fraudulent blocks, prevent

certain transactions from being completed promptly or at all, and reorder or exclude transactions. While such control would not allow the generation of new tokens or unauthorized transactions, it could enable "double-spending" by reusing the same tokens in multiple transactions and disrupt the confirmation of other users' transactions. Unless the SOL community rejected the fraudulent blocks or the malicious actor relinquished control, it might not be possible to reverse changes made to the blockchain. Additionally, a malicious actor could flood the network with transactions, causing significant delays.

Although there are no known instances of such control over the Solana Network to date, the risk exists if groups of coordinated or connected SOL holders collectively control more than 50% of the outstanding SOL. If these holders stake their tokens and operate validators, they could potentially influence the validation of SOL transactions. This risk is amplified if over 50% of the validating stake resides under the jurisdiction of a single governmental authority. Without proactive efforts by network participants, including core developers and validators, to maintain greater decentralization, the likelihood of a malicious actor gaining control increases, which could adversely impact the value of the Common Shares.

Potential Changes to Validator Incentives or Transaction Fees

If the rewards for validating blocks or the transaction fees for recording transactions on the Solana Network are insufficient to incentivize validators, or if validating activities are restricted or regulated in certain jurisdictions, validators may reduce or cease their validating activities. This could result in increased transaction fees or negatively impact the value of SOL and the value of the Common Shares.

If validators decline to record transactions because the rewards or fees are too low, those transactions will remain unrecorded on the Solana Blockchain until a validator willing to accept the lower fee processes them. Such delays, if widespread, could undermine confidence in the Solana Network.

Historically, validators on most digital asset networks have accepted relatively low transaction fees for confirming transactions. However, if validators on the Solana Blockchain begin demanding higher fees or if a software update imposes mandatory fees for all transactions, the cost of using SOL may rise, potentially discouraging marketplace adoption of SOL as a payment method. Additionally, validators could collude to reject low-fee transactions, forcing users to pay higher fees, which could diminish the attractiveness of the Solana Network.

Higher transaction fees, whether driven by market dynamics, collusion, or regulatory changes, could adversely affect the usability of the Solana Network, the demand for SOL, and ultimately, the value of the Common Shares.

Shareholder Approval Matters

The Company is required to obtain shareholder approval of the Proposed Change of Business in accordance with the regulations of the Exchange. Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve the Change of Business Resolutions, substantially in the form attached as Schedule C hereto. The Board is of the view that the Proposed Change of Business is in the best interests of the Company and unanimously recommends that

Shareholders vote in favour of the approval of the Change of Business Resolutions. In order to be effective, the Change of Business Resolutions must be approved by a majority of the Common Shares represented by the Shareholders present at the Meeting in person or by proxy.

UNLESS INSTRUCTIONS ARE GIVEN TO VOTE AGAINST THE CHANGE OF BUSINESS RESOLUTIONS, THE PERSONS WHOSE NAMES APPEAR IN THE PROXY INTEND TO VOTE IN FAVOUR OF THE CHANGE OF BUSINESS RESOLUTIONS.

7. GASENER TRANSACTION

Pursuant to a share purchase agreement dated February 7, 2023 (the "**Closing Date**"), entered into between the Company and Gasener S.R.L. ("**Gasener**"), Gasener purchased 100% of the issued and outstanding shares (the "**MVI Shares**") of Madelena Ventures International Inc. ("**MVI**") held by the Company for cash consideration of USD $20,000 (the "**Gasener Transaction**"). MVI owns 100% of the issued and outstanding shares in Madalena Energy Argentina S.R.L. ("**MEA**"). Prior to the Gasener Transaction, the Company acquired MEA's interests in the PAE ORRI in exchange for assumption and extinguishment of the intercompany debt owed by MEA to the Company. In addition, as part of the Gasener Transaction, a debt obligation of approximately US$260,000 owed by MEA to David D. Tawil was assumed by the Company. The effect of the Gasener Transaction was that the Company transferred all its conventional oil and gas assets and related liabilities in Argentina, including sizable upcoming drilling commitments, to Gasener, while retaining the PAE ORRI. From the date of its acquisition to the Closing Date, the PAE ORRI had paid the Company over USD $600,000 and as of the Closing Date the Company had yet to be paid at least USD $15.9 million.

Save and except for the PAE ORRI, as of the Closing Date, the assets and liabilities of the Company consisted of the above MVI shares.

No finder's fee was paid by the Company in connection with the Gasener Transaction. Gasener was an arms-length party to the Company.

The Gasener Transaction is required to be approved by Shareholders under section 5.14 of Exchange Policy 5.3 - Acquisitions and Dispositions of Non-Cash Assets. Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve the Gasener Transaction, substantially in the form attached as Schedule D hereto. The Board is of the view that the Gasener Transaction is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of the approval of the Gasener Transaction Resolution. In order to be effective, the Gasener Transaction Resolution must be approved by a majority of the Common Shares represented by the Shareholders present at the Meeting in person or by proxy.

UNLESS INSTRUCTIONS ARE GIVEN TO VOTE AGAINST THE CHANGE OF NAME RESOLUTIONS, THE PERSONS WHOSE NAMES APPEAR IN THE PROXY INTEND TO VOTE IN FAVOUR OF THE CHANGE OF NAME RESOLUTIONS.

9. CHANGE OF NAME

In connection with the Proposed Change of Business, Shareholders at the Meeting will be asked to consider, and if deemed advisable, to pass, with or without variation, a special resolution

approving the change of the name of the Company from "Centaurus Energy Inc." to "Layer One Inc." or such other name as determined by the Board in its sole discretion, subject to approval by the Exchange (the "**Change of Name**"). The full text of the Change of Name resolutions (the "**Change of Name Resolutions**") is attached hereto as Schedule E.

In order to be effective, the Change of Name Resolutions must be approved by a two-thirds majority of the votes attaching to the Common Shares represented by the Shareholders present at the Meeting in person or by proxy. The Exchange must also accept the Change of Name. The Exchange has conditionally accepted the Change of Name subject to the Company fulfilling all of the requirements of the Exchange.

The Company is required to obtain shareholder approval of the Change of Name in accordance with the regulations of the Exchange. Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve the Change of Name Resolutions, substantially in the form attached as Schedule E hereto. The Board is of the view that the Change of Name is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of the approval of the Change of Name Resolutions. In order to be effective, the Change of Name Resolutions must be approved by a two-thirds majority of the Common Shares represented by the Shareholders present at the Meeting in person or by proxy. Notwithstanding whether the special resolution is passed by the Shareholders, the Board may revoke it at any time prior to the issuance of a Certificate of Amendment giving effect to the Change of Name.

UNLESS INSTRUCTIONS ARE GIVEN TO VOTE AGAINST THE CHANGE OF NAME RESOLUTIONS, THE PERSONS WHOSE NAMES APPEAR IN THE PROXY INTEND TO VOTE IN FAVOUR OF THE CHANGE OF NAME RESOLUTIONS.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca. Shareholders may contact the Company at #1250, 639 – 5th Avenue S.W., Calgary, AB T2P 0M9, to request copies of the Company's financial statements and MD&A.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

BOARD APPROVAL

The contents and sending of this Information Circular have been approved by the Board.

DATED this 24th day of January, 2025.

BY ORDER OF THE BOARD

"David Tawil"
David Tawil
Chief Executive Officer

CERTIFICATE OF THE COMPANY

The foregoing documents constitutes full, true and plain disclosure of all material facts relating to the securities of the Company assuming completion of the Proposed Change of Business.

"David D. Tawil"	*"Jeffrey Borack"*
Chief Executive Officer	Chief Financial Officer
"William Schubin"	*"Steven Balsam"*
Director	Director

SCHEDULE A
AUDIT COMMITTEE CHARTER

The Audit Committee's Charter

I. Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by Centaurus Energy Inc. (the "**Company**") to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

II. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

III. Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

IV. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

1. Review and update this Charter annually.

2. Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

3. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

4. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.

5. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

6. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.

7. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

8. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

9. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

10. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

    i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

    ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

    iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

    Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

12. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

13. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

14. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

15. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

16. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

17. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

18. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

19. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

20. Review certification process.

21. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Risk Management

22. To review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).

23. To inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.

24. To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.

25. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

Other

26. Review any related-party transactions.

SCHEDULE B
STOCK OPTION PLAN

See attached.

CENTAURUS ENERGY INC.

SHARE OPTION PLAN

_____, 2025

CENTAURUS ENERGY INC.

Share Option Plan

ARTICLE 1
INTRODUCTION

1.1 Purpose

The purpose of this Plan is to assist the Company in attracting, retaining and motivating key employees, officers and consultants of the Company or of a Designated Subsidiary by granting to them options to purchase Common Shares.

1.2 Definitions

When used herein, unless the context otherwise requires, the following terms have the following meanings, respectively:

"**Affiliate**" has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as amended from time to time, and any successor to such instrument.

"**Associate**" has the meaning ascribed thereto in the *Securities Act* (Alberta).

"**Board**" means the board of directors of the Company.

"**Business Day**" means a day, other than a Saturday or Sunday, on which the principal commercial banks located in Calgary, Alberta, Canada are open for business during normal banking hours.

"**Change of Control**" means the happening of any of the following events:

(i) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Company or a wholly-owned subsidiary of the Company) hereafter acquires the direct or indirect "beneficial ownership" (as defined in the *Business Corporations Act* (Alberta)) of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Company with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person other than a wholly-owned subsidiary of the Company;

(iii) the dissolution or liquidation of the Company, other than in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned subsidiaries of the Company prior to such event;

(iv) the occurrence of a transaction requiring approval of the Company's shareholders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned subsidiary of the Company);

(v) the Board determines that a Change of Control shall be deemed to have occurred in such circumstances as the Board shall determine; or

(vi) individuals who comprise the Board as of the last annual meeting of shareholders of the Company for any reason cease to constitute at least a majority of the members of the Board;

provided that, notwithstanding clause (i), (ii), (iii) and (iv) above, a Change of Control shall be deemed not to have occurred if immediately following the transaction set forth in clause (i), (ii), (iii) or (iv) above: (A) the holders of securities of the Company that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Company hold (x) securities of the entity resulting from such transaction (the **"Surviving Entity"**) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees (**"voting power"**) of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the **"Parent Entity"**) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons acting jointly or in concert is the beneficial owner, directly or indirectly, of 50% or more of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a **"Non-Qualifying Transaction"** and, following the Non-Qualifying Transaction, references in this definition of "Change in Control" to the "Company" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "Board" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

"**Committee**" has the meaning set forth in Section 2.2.

"**Common Shares**" means common shares in the capital of the Company.

"**Company**" means Centaurus Energy Inc. and its successors and assigns.

"**Consultant Participant**" means an individual consultant or a consultant entity, other than a Director or an Employee Participant that:

(a) is engaged to provide services on a *bona fide* basis to the Company or a Designated Subsidiary, other than services provided in relation to a distribution of securities of the Company or a Designated Subsidiary;

(b) provides the services under a written contract with the Company or a Designated Subsidiary; and

(c) spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Designated Subsidiary;

and includes, (1) for an individual consultant, (i) a company of which the individual consultant is an employee or shareholder; or (ii) a partnership of which the individual consultant is an employee or partner, and (2) for a consultant that is not an individual, an employee or director of the consultant, provided that the individual employee or director spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Designated Subsidiary.

"**Date of Grant**" means, for any Option, the date specified by the Plan Administrator at the time it grants the Option (provided, however, that such date shall not be prior to the date the Plan Administrator acts to grant the Option) or, if no such date is specified, the date upon which the Option was granted.

"**Designated Subsidiary**" means each Subsidiary of the Company as designated by the Plan Administrator for purposes of the Plan from time to time.

"**Director**" means a member of the Board.

"**Disabled**" or "**Disability**" means eligible for long-term disability under the terms of a long-term disability plan sponsored by the Participant's employer.

"**Employee Participant**" means a current employee (other than a Consultant Participant) of the Company or of a Designated Subsidiary and, subject to compliance with the applicable requirements of the TSXV, the Personal Holding Companies of such persons, to whom an Option has been granted by the Plan Administrator pursuant to the Plan and which Option or a portion thereof remains unexercised.

"**Exercise Notice**" means a notice in writing, in the form set out in Schedule B, signed by an Optionee and stating the Optionee's intention to exercise a particular Option.

"**Exercise Price**" means the price at which an Option Share may be purchased pursuant to the exercise of an Option.

"**Expiry Date**" means the expiry date specified in the Option Agreement or, if not so specified, means the tenth (10^{th}) anniversary of the Date of Grant.

"**Fiscal Year**" means the twelve month period ending December 31 in each calendar year.

"**In-the-Money Amount**" with respect to an Option as of any day, is the amount, if any, by which the Market Price exceeds the Exercise Price of such Option.

"**Individual Optionee**" means an Optionee who is an individual.

"**Insider**" shall have the meaning ascribed thereto in Policy 1.1 of the Exchange.

"**Investor Relations Activities**" shall have the meaning ascribed thereto in Policy 1.1 of the TSXV.

"**Investor Relations Service Provider**" includes any Consultant Participant that performs Investor Relations Activities and any Director, officer of the Company, employee of the Company or Management Company Employee whose role and duties primarily consist of Investor Relations Activities.

"**Management Company Employee**" means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the business enterprise of the Company.

"**Market Price**" in respect of the Common Shares as of a particular day, means the volume weighted average closing price of the Common Shares on the principal stock exchange on which the Common Shares are listed for the twenty (20) trading days immediately preceding such date.

"**Option**" means a right to purchase Common Shares under this Plan that is non-assignable and non-transferable unless otherwise approved by the Plan Administrator.

"**Optionee**" means a Participant who has been granted one or more Options.

"**Option Agreement**" means a signed, written agreement between an Optionee and the Company, in the form attached as Schedule A, subject to any amendments or additions thereto as may, in the discretion of the Plan Administrator, be necessary or advisable, evidencing the terms and conditions on which an Option has been granted under this Plan.

"**Option Shares**" means Common Shares issuable by the Company upon the exercise of outstanding Options.

"**Participant**" means an Employee Participant, a Consultant Participant or Director and, subject to compliance with the applicable requirements of the TSXV, the Personal Holding Companies of a Director, to whom an Option has been granted by the Plan Administrator pursuant to the Plan and which Option or a portion thereof remains unexercised.

"**Person**" includes an individual, sole proprietorship, corporation, company, partnership, limited partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative.

"**Personal Holding Company**" means a company of which 100% of the voting shares are beneficially owned, directly or indirectly, by a director, officer or employee of the

Corporation or its Designated Subsidiaries and such entity shall be bound by the Plan in the same manner as if the Options were held directly;

"**Plan**" means this Share Option Plan as set out herein and as amended from time to time in accordance with the provisions hereof.

"**Plan Administrator**" means the Board or, if the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 2.2, the Committee.

"**Policy 4.4**" means Policy 4.4 - *Security Based Compensation* of the TSXV.

"**Retirement**" means retirement from active employment under the retirement policies of the Company, its Designated Subsidiaries or a Consultant, as applicable, at or after the age of 65, or, with the consent for the purposes of the Plan of such officer of the Company as may be designated by the Plan Administrator, at or after such earlier age and upon the completion of such years of service as the Plan Administrator may specify.

"**Security**" has the meaning assigned to the term "security" in the *Securities Act* (Alberta), and "**Securities**" has a corresponding meaning.

"**Subsidiary**" has the meaning assigned to the term "subsidiary" in the *Securities Act* (Alberta).

"**Termination Date**" means:

(a) in the case of an Employee Participant whose employment with the Company or a Designated Subsidiary terminates in the circumstances set out in Subsection 3.10(a) or Subsection 3.10(b), the date designated by the Company or a Designated Subsidiary, as the case may be, on which an Employee Participant ceases to be an employee of the Company or the Designated Subsidiary, as the case may be, provided that in the case of termination of employment by voluntary resignation by the Optionee, such date shall not be earlier than the date notice of resignation was given, and "**Termination Date**" specifically does not mean the date of termination of any period of reasonable notice that the Company or the Designated Subsidiary (as the case may be) may be required by law to provide to the Optionee;

(b) in the case of a Consultant Participant whose consulting agreement or arrangement with the Company or a Designated Subsidiary, as the case may be, terminates in the circumstances set out in Subsection 3.10(c) or Subsection 3.10(d), the date that is designated by the Company or the Designated Subsidiary, as the case may be, as the date on which the Optionee's consulting agreement or arrangement is terminated, provided that in the case of voluntary termination by the Optionee of the Optionee's consulting agreement or arrangement, such date shall not be earlier than the date notice of voluntary termination was given, and "**Termination Date**" specifically does not mean the date on which any period of notice of termination that the Company or the Designated Subsidiary (as the case may be) may be required to provide to the Optionee under the terms of the consulting agreement or arrangement expires; or

(c) in the case of a Director, the date that is designated by the Company, as the date on which the Optionee's directorship is terminated, provided that in the case of voluntary termination by the Optionee of the Optionee's directorship, such date shall not be earlier than the date notice of resignation was given.

"**TSXV**" means the TSX Venture Exchange.

1.3 Interpretation

(a) Whenever the Plan Administrator is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Plan Administrator.

(b) As used in this Plan, the terms "Article", "Section", "Subsection", "clause", and "Schedule" mean and refer to the specified Article, Section, Subsection, clause and Schedule of this Plan, respectively.

(c) Where the word "including" or "includes" is used in this Plan, it means "including (or includes) without limitation".

(d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made on the immediately preceding Business Day.

(e) Words importing the singular meaning include the plural and vice versa and words importing any gender include any other gender.

(f) Unless otherwise specified, all references to money amounts are to Canadian currency.

ARTICLE 2
PLAN ADMINISTRATION

2.1 Plan Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

(a) determine the individuals and entities (from among the Participants) to whom Options may be granted;

(b) grant Options in such amounts and, subject to the provisions of this Plan, on such terms and conditions as it determines including:

(i) the time or times at which Options may be granted;

(ii) the Exercise Price at which Option Shares subject to each Option may be purchased;

(iii) the time or times when each Option becomes exercisable and the Expiry Date; and

(iv) whether restrictions or limitations are to be imposed on the Option Shares and the nature of such restrictions or limitations, if any;

(c) authorize any acceleration of exercisability or waiver of termination regarding any Option, based on such factors as the Plan Administrator may determine;

(d) cancel, amend, adjust or otherwise change any Option under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;

(e) construe and interpret this Plan and all Option Agreements;

(f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan; and

(g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

2.2 Delegation of Plan Administration

(a) The initial Plan Administrator shall be the Board.

(b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the "**Committee**") all or any of the powers conferred on the Plan Administrator pursuant to this Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

(c) The day-to-day administration of this Plan may be delegated to such officers and employees of the Company or a Designated Subsidiary as the Plan Administrator determines.

2.3 Determinations Binding

Any decision made or action taken by the Plan Administrator, the Committee or any officers or employees to whom authority has been delegated pursuant to Subsection 2.2(c) arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Company, the affected Participant(s), their legal and personal representatives and all other Persons.

2.4 Eligibility

All Employee Participants, Consultant Participants and Directors are eligible to participate in this Plan, subject to Subsections 3.9(b) and 3.10(e). Eligibility to participate does not confer upon any Participant any right to be granted Options pursuant to this Plan. The extent to which any Participant is entitled to be granted Options pursuant to this Plan will be determined in the discretion of the Plan Administrator. The Plan Administrator shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the TSXV, shall represent and, if required by the TSXV, confirm that the Participant is a bona fide employee, consultant or management company employee (as defined in the policies of the TSXV).

2.5 Compliance with Regulatory Requirements

The Company's obligation to issue Common Shares in accordance with the terms of this Plan and any Options granted hereunder are subject to compliance with any applicable legislation and the rules, regulations and published policies of any stock exchange, regulatory authority or agency having jurisdiction over the issuance and distribution of such Common Shares in such jurisdictions as the Company may elect to grant Options to Participants. Participants shall, to the extent applicable, cooperate with the Company in complying with such legislation, rules, regulations and policies.

2.6 Total Common Shares Subject to Options

(a) The maximum number of Common Shares reserved for issuance under this Plan shall not exceed 10% of the issued and outstanding Common Shares as at the date of the grant (on a non-diluted basis) or such other number as may be approved by the holders of the voting shares of the Company. Any issuance of Common Shares from treasury pursuant to the exercise or surrender of Options shall automatically replenish the number of Common Shares available for Option grants under this Plan. This maximum number shall be automatically adjusted to take into account any conversion, changing, reclassification, redivision, redesignation, subdivision or consolidation of the Common Shares, and shall also apply to securities of the Company or of any successor or continuing entity which may result from a reorganization, amalgamation, consolidation or merger, statutory or otherwise, take-over bid or any transaction similar to any of the foregoing.

(b) To the extent any Options terminate or are cancelled for any reason prior to exercise in full, or are surrendered to the Company by the Participant the Common Shares subject to such Options shall be added back to the number of Common Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Options granted under this Plan. To the extent any Options are surrendered to the Company by the Participant in accordance with Section 3.7 for cash or Common Shares, the full number of Common Shares subject to such Options that are surrendered by the Participant shall automatically be added back to the number of Common Shares reserved for issuance under the Plan.

(c) Any Common Shares issued by the Company through the assumption or substitution of outstanding stock options of from an acquired company shall not

reduce the number of Common Shares available for issuance pursuant to the exercise of Options granted under this Plan.

(d) Notwithstanding anything in this Plan, the aggregate number of Common Shares:

(i) issuable to any one Participant, other then a Consultant Participant, within any one-year period, under all of the Company's Security Based Compensation granted or issued to such Participant, shall not exceed five (5%) percent of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to such Participant (unless the Company has obtained the requisite disinterested shareholder approval pursuant to section 5.3 of Policy 4.4);

(ii) issuable to any one Consultant Participant (other than an Investor Relations Service Provider), within any one-year period, under all of the Company's Security Based Compensation granted or issued to such Consultant Participant, shall not exceed two (2%) percent of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to such Consultant Participant;

(iii) issuable to an Investor Relations Service Provider, within any one-year period, under all of the Options granted or issued to all Investor Relations Service Providers in the aggregate, shall not exceed two (2%) percent of the issued and outstanding Common Shares, calculated as at the date any Option is granted to any such Investor Relations Service Provider;

(iv) issuable to Insiders, at any time, under all of the Company's Security Based Compensation, shall not exceed ten (10%) percent of the issued and outstanding Common Shares, subject to Section 2.6(d); and

(v) issued to Insiders, within any one-year period, under all of the Company's Security Based Compensation, shall not exceed ten (10%) percent of the issued and outstanding Common Shares, subject to Section 2.6(d),

provided that the acquisition of Common Shares by the Company for cancellation shall not constitute non-compliance with this Subsection 2.6(d) for any Options outstanding prior to such purchase of Common Shares for cancellation.

(e) Investor Relations Service Providers may not receive any grant under this Plan other than Options.

2.7 Option Agreements

All grants of Options under this Plan will be evidenced by Option Agreements. Such Option Agreements will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct which are not inconsistent with this Plan. The Board shall authorize and empower any director or officer of the Company to execute and deliver, for and on behalf of the Company, an Option Agreement to each Optionee.

ARTICLE 3
GRANT OF OPTIONS

3.1 Grant of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant.

3.2 Exercise Price

The Board will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the closing price of the Common Shares on the principal stock exchange on which the Common Shares are listed on the last trading day immediately preceding the Date of Grant. A minimum Exercise Price cannot be established unless the Options are allocated to specific Participants.

3.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date.

3.4 Blackout Periods

If an Option is due to expire on a date that falls within a corporate blackout period applicable to the holder of such Option, or within 5 business days following the expiry of such a blackout period, the Expiry Date of such Option shall be extended to the 10th business day following the expiry of the blackout period.

3.5 Vesting and Exercisability

(a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and except as otherwise provided in this Plan, each Option will fully vest and be exercisable from the first anniversary of the Date of Grant.

(b) Notwithstanding the foregoing, Options granted to any Investor Relations Service Provider shall vest in stages over a period of not less than 12 months such that:

(i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;

(ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;

(iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and

(iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

(c) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator. Each Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable.

(d) Subject to the provisions of this Plan and any Option Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Company.

(e) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to additional restrictions, such as performance-based vesting conditions.

3.6 Payment of Exercise Price

Subject to Section 3.7, and unless otherwise specified by the Plan Administrator at the time of granting an Option, the Exercise Notice must be accompanied by payment in full of the purchase price for the Option Shares to be purchased. The Exercise Price must be fully paid by certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Plan Administrator. No Common Shares will be issued or transferred until full payment therefor has been received by the Company.

3.7 Surrender of Options

In lieu of exercising a vested Option, the Participant may surrender all or part of the Option for cancellation in consideration for the In-the-Money Amount of the Option. In connection with the surrender of the vested Option or portion of such vested Option, the Participant may request that satisfaction of the In-the-Money Amount be made in the form of (i) a lump sum cash payment (a "**Cash Amount**"), (ii) the issue of such number of Common Shares having an aggregate Market Price as of the exercise date equal to the In-the-Money Amount rounded down to the nearest whole number or (iii) a combination of both. Notwithstanding that a Participant may have elected to receive a Cash Amount for the surrender of the Option or a portion thereof, the Company may choose instead to satisfy the Cash Amount by the issue of such number of Common Shares having an aggregate Market Price as of the exercise date equal to the Cash Amount rounded down to the nearest whole number. Upon settlement of the In-the-Money Amount of any surrendered Option or portion thereof, such Option or portion thereof shall be cancelled forthwith and in accordance with Section 2.6(b), the Common Shares subject to such surrendered Option (or portion thereof) shall not be added back to the number of Common Shares reserved for issuance under this Plan.

3.8 Retirement of Optionee

Subject to Section 3.11 or unless otherwise specified by the Plan Administrator at the time of granting an Option, if the employment of a Participant terminates due to Retirement:

(a) such Participant shall continue to be a Participant notwithstanding the Participant's Retirement; and

(b) the Individual Optionee's eligibility to receive further grants of Options under this Plan ceases as of the date of the Individual Optionee's Retirement.

3.9 Death or Disability of Optionee

Subject to Section 3.11, unless otherwise specified by the Plan Administrator at the time of granting an Option, if an Individual Optionee dies or becomes Disabled while an employee, consultant or director of the Company or a Designated Subsidiary:

(a) the executor or administrator of the Individual Optionee's estate or the Individual Optionee, as the case may be, may exercise any Options of the Individual Optionee to the extent that the Options have vested as at the date of such death or Disability and the right to exercise each such Option terminates on the earlier of: (i) its Expiry Date; and (ii) the date that is 180 days after the Individual Optionee's death or Disability. Any Options held by the Individual Optionee that have not vested as at the date of death or Disability immediately expire and shall be cancelled as of such date; and

(b) the Individual Optionee's eligibility to receive further grants of Options under this Plan ceases as of the date of the Individual Optionee's death or Disability, as the case may be.

3.10 Termination of Employment or Services

Subject to Section 3.11, unless otherwise specified by the Plan Administrator at the time of granting an Option:

(a) where, in the case of an Employee Participant, an Individual Optionee's employment is terminated by the Company or a Designated Subsidiary without cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice), then each Option held by the Individual Optionee that has vested as at the Termination Date continues to be exercisable by the Individual Optionee until the earlier of: (i) its Expiry Date; and (ii) the date that is 90 days after the Termination Date. Any Options held by the Individual Optionee that have not vested as at the Termination Date immediately expire and shall be cancelled as of the Termination Date;

(b) where, in the case of an Employee Participant, an Individual Optionee's employment terminates by reason of: (i) termination by the Company or a Designated Subsidiary for cause; or (ii) voluntary resignation by the Individual Optionee, then any Options held by the Individual Optionee, whether or not they have vested as at the Termination Date, immediately expire and are cancelled on the Termination Date;

(c) where, in the case of a Consultant Participant, an Optionee's consulting agreement or arrangement terminates by reason of: (i) termination by the Company or a Designated Subsidiary for any reason whatsoever other than for breach of the consulting agreement or arrangement (whether or not such termination is effected

in compliance with any termination provisions contained in the Optionee's consulting agreement or arrangement); or (ii) the death or Disability of the Individual Optionee, then each Option held by the Optionee that has vested as at the Termination Date, or at the date of the death or Disability of the Individual Optionee, as the case may be, continues to be exercisable by the Optionee until the earlier of: (i) its Expiry Date; and (ii) the date that is 90 days after the Termination Date. Any Options held by the Optionee that have not vested as at the Termination Date, or at the date of the death or Disability of the Individual Optionee, as the case may be, immediately expire and shall be cancelled as of the Termination Date;

(d) where, in the case of a Consultant Participant, an Optionee's consulting agreement or arrangement terminates by reason of: (i) termination by the Company or a Designated Subsidiary for breach of the consulting agreement or arrangement (whether or not such termination is effected in compliance with any termination provisions contained in Optionee's consulting agreement or arrangement); or (ii) voluntary termination by the Optionee (whether or not such termination is effected in compliance with any termination provisions contained in the Optionee's consulting agreement or arrangement), then any Options held by the Optionee, whether or not such Options have vested as at the Termination Date, immediately expire and shall be cancelled as of the Termination Date;

(e) where, in the case of a Participant, that is a Director, such Individual Optionee ceases to be a Director for any reason other than death or disability, including the resignation of the Participant prior to the Expiry Time, then each Option held by the Individual Optionee that has vested as at the Termination Date continues to be exercisable by the Individual Optionee until the earlier of: (i) its Expiry Date; and (ii) the date that is 90 days after the Termination Date. Any Options held by the Individual Optionee that have not vested as at the Termination Date immediately expire and shall be cancelled as of the Termination Date

(f) an Optionee's eligibility to receive further grants of Options under this Plan ceases as of the date that the Company or a Designated Subsidiary, as the case may be, provides the Optionee with written notification that the Optionee's employment or consulting agreement or arrangement, as the case may be, is terminated in the circumstances contemplated by this Section 3.10, notwithstanding that such date may be prior to the Termination Date; and

(g) notwithstanding Subsections 3.10(a) and 3.10(c), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Options are not affected by a change of employment or consulting arrangement within or among the Company or a Designated Subsidiary for so long as the Employee Participant continues to be an employee of the Company or a Designated Subsidiary or for so long as the Consultant Participant continues to be engaged as a consultant to the Company or a Designated Subsidiary, as the case may be.

3.11 Discretion to Permit Exercise

Notwithstanding the provisions of Sections 3.8, 3.9 and 3.10, the Plan Administrator may, in its discretion, at any time prior to or following the events contemplated in such sections, permit the

exercise of any or all Options held by the Optionee in the manner and on the terms authorized by the Plan Administrator, provided that the Plan Administrator will not, in any case, authorize the exercise of an Option pursuant to this Section 3.11 at any time after its Expiry Date.

3.12 Change of Control

(a) Upon the Company entering into an agreement relating to, or otherwise becoming aware of, a transaction which, if completed, would result in a Change of Control, the Company shall give written notice of the proposed Change of Control to the Participants, together with a description of the effect of such Change of Control on Options, not less than ten (10) Business Days prior to the closing of the transaction resulting in the Change of Control.

(b) Notwithstanding Section 3.10, if within 12 months following the completion of a transaction resulting in a Change of Control, an Employee Participant's employment is terminated by the Company or a Designated Subsidiary without cause, without any action by the Plan Administrator, all Options held by such Employee Participant shall immediately vest and be exercisable, notwithstanding Section 3.5 until the earlier of: (i) the Expiry Date of such Option and (ii) the date that is 90 days after the Termination Date.

3.13 Conditions of Exercise

Each Optionee will, when requested by the Company, sign and deliver all such documents relating to the granting or exercise of Options which the Company deems necessary or desirable.

3.14 Resale Restrictions and Hold Period

Options and Common Shares issuable thereunder may be subject to applicable resale restrictions under applicable securities laws or stock exchange requirements and the exchange hold period (as defined in the policies of the TSXV), and shall have affixed thereto any legends required under applicable securities laws or stock exchange requirements and the policies of the TSXV.

ARTICLE 4
SHARE CAPITAL ADJUSTMENTS

4.1 General

The existence of any Options does not affect in any way the right or power of the Company or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company, to create or issue any bonds, debentures, Common Shares or other securities of the Company or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this section would have an adverse effect on this Plan or any Option granted hereunder.

4.2 Reorganization of Company's Capital

Should the Company effect a subdivision or consolidation of Common Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Company that, in the opinion of the Plan Administrator, would warrant the replacement or amendment of any existing Options in order to adjust: (a) the number of Common Shares that may be acquired on the exercise of any outstanding Options; and/or (b) the Exercise Price of any outstanding Options in order to preserve proportionately the rights and obligations of the Optionees, the Plan Administrator, will authorize such steps to be taken as may be equitable and appropriate to that end, subject to the prior approval of the TSXV (other than in connection with a consolidation or split of the Common Shares, in which case the approval of the TSXV is not required).

4.3 Other Events Affecting the Company

In the event of an amalgamation, combination, merger or other reorganization involving the Company by exchange of Common Shares, by sale or lease of assets or otherwise, that, in the opinion of the Plan Administrator, warrants the replacement or amendment of any existing Options in order to adjust: (a) the number of Common Shares or the securities or other property that may be acquired on the exercise of any outstanding Options; or (b) the Exercise Price of any outstanding Options in order to preserve proportionately the rights and obligations of the Optionees, the Plan Administrator, will authorize such steps to be taken as may be equitable and appropriate to that end, subject to the prior approval of the TSXV (other than in connection with a consolidation or split of the Common Shares, in which case the approval of the TSXV is not required).

4.4 Immediate Exercise of Awards

Where the Plan Administrator determines that the steps provided in Sections 4.2 and 4.3 would not preserve proportionately the rights and obligations of the Optionees in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may permit the immediate exercise of any outstanding Options that are not otherwise exercisable.

4.5 Issue by Company of Additional Shares

Except as expressly provided in this Article 4, neither the issue by the Company of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to: (a) the number of Common Shares that may be acquired on the exercise of any outstanding Options; or (b) the Exercise Price of any outstanding Options.

4.6 Fractions

No fractional Common Shares will be issued on the exercise of an Option. Accordingly, if, as a result of any adjustment under Sections 4.2 to 4.4 inclusive, an Optionee would become entitled to a fractional Common Share, the Optionee has the right to acquire only the adjusted number of full Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares so disregarded.

4.7 Conditions of Exercise

The Plan and each Option are subject to the requirement that if at any time the Plan Administrator determines that the listing, registration or qualification of the Common Shares subject to such Option upon any securities exchange or under any provincial, state or federal law, or the consent or approval of any governmental body, securities exchange or of the holders of voting shares of the Company or of the Common Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Option or the issue or purchase of Common Shares thereunder, no such Option may be granted or exercised in whole or in part unless such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Plan Administrator. The Optionees shall, to the extent applicable, cooperate with the Company in relation to such listing, registration, qualification, consent or other approval and shall have no claim or cause of action against the Company or any of its officers or directors as a result of any failure by the Company to obtain or to take any steps to obtain any such registration, qualification or approval.

ARTICLE 5
GENERAL PROVISIONS

5.1 Amendment, Suspension, or Termination of the Plan

Except as set out in this Plan and as otherwise provided by law or TSXV rules, the Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Company, amend, modify, change, suspend or terminate the Plan or any Options granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

(a) no such amendment, modification, change, suspension or termination of the Plan or any Option granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements; and

(b) approval of the holders of the voting shares of the Company and requisite approval of the TSXV, as applicable, shall be required for any amendment, modification or change that: (i) increases the number of Common Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital; (ii) increases or removes the 10% limits on Option Shares issuable or issued to Insiders as set forth in Section 2.6; (iii) reduces the exercise price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its Expiry Date for the purpose of reissuing an Option to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital; (iv) extends the term of an Option beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within 5 business days following the expiry of such a blackout period); (v)

permits an Option to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Company); (vi) permits Options to be transferred other than for normal estate settlement purposes; (vii) permits awards, other than the Options to be granted under the Plan; or (viii) deletes or reduces the range of amendments which require approval of the holders of voting shares of the Company under this Section 5.1.

5.2 Legal Requirement

The Company is not obligated to grant any Options, issue any Common Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its sole discretion, such action would constitute a violation by an Optionee or the Company of any provision of any applicable statutory or regulatory enactment of any government or government agency.

5.3 Non-Transferability

Except as otherwise may be expressly provided for in this Plan, no Options granted under this Plan shall be transferrable or assignable by the Participant (except to an Optionee's estate) and no Options may be exercised by anyone other than the Participant or his or her legal representative during the lifetime of the Participant.

5.4 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Common Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

5.5 Governing Law

The Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta.

5.6 Submission To Jurisdiction

The Company and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta in respect of any action or proceeding relating in any way to the Plan, including with respect to the grant of Options and any issuance of Common Shares made in accordance with the Plan.

5.7 Optionee's Entitlement

Except as otherwise provided in this Plan, Options previously granted under this Plan, whether or not then exercisable, are not affected by any change in the relationship between, or ownership of, the Company and a Designated Subsidiary or interfere in any way with any right of the Company to discharge any Participant at any time for any reason whatsoever, with or without cause. For greater certainty, all Options remain valid and exercisable in accordance with the terms and conditions of this Plan and are not affected by reason only that, at any time, a Designated Subsidiary ceases to be a Designated Subsidiary.

5.8 Withholding Taxes

In addition to the other conditions on exercise set forth in this Plan, the exercise of each Option granted under this Plan is subject to the satisfaction of all applicable withholding taxes or other withholding liabilities as the Company may determine to be necessary or desirable in respect of such exercise. The Company may (a) require that a Participant pay to the Company, in addition to, and in the same manner as, the Exercise Price, such amount as the Company is obliged to remit to the relevant taxing authority in respect of the exercise of the Option; (b) withhold such amount from any remuneration or other amount payable by the Company or any Affiliate of the Company to the Participant; (c) require the sale of a number of Option Shares issued upon the exercise of the Option and the remittance to the Company of the net proceeds from such sale sufficient to satisfy such amount; or (d) enter into any other suitable arrangements for the receipt of such amount.

5.9 Participation in this Plan

The participation of any Participant in this Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in this Plan. In particular, participation in this Plan does not constitute a condition of employment or service nor a commitment on the part of the Company to ensure the continued employment or service of such Participant. This Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Common Shares. The Company does not assume responsibility for the personal income or other tax consequences of the Participants and Participants are advised to consult with their own tax advisors.

5.10 Corporate Action

Nothing contained in this Plan or in an Option shall be construed so as to prevent the Company from taking corporate action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Option.

5.11 Rights of Participant/Optionee

No Participant has any claim or right to be granted an Option (including an Option granted in substitution for any Option that has expired pursuant to the terms of this Plan), and the granting of any Option is not to be construed as giving an Optionee a right to remain in the employ of the Company or a Designated Subsidiary. No Optionee has any rights as a shareholder of the Company in respect of Common Shares issuable on the exercise of rights to acquire Common Shares under any Option until the allotment and issuance to the Optionee of certificates representing such Common Shares.

5.12 Conflict

In the event of any conflict between the provisions of this Plan, an Option Agreement and/or the employment or services agreement, as applicable, of a Participant, the provisions of this Plan shall govern and take precedence over the provisions of such Option Agreement and/or employment or services agreement.

5.13 Participant Information

Each Participant shall provide the Company with all information (including personal information) required by the Company in order to administer to the Plan. Each Participant acknowledges that information required by the Company in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Company to make such disclosure on the Participant's behalf.

5.14 International Participants

With respect to Participants who reside or work outside Canada, the Board may, in its sole discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Options with respect to such Participants in order to conform such terms with the provisions of local law, and the Board may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

5.15 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and its Designated Subsidiaries.

5.16 General Restrictions and Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

5.17 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

5.18 Notices

All written notices to be given by the Optionee to the Company shall be delivered personally or by registered mail, postage prepaid, addressed as follows:

Centaurus Energy Inc.
#1250, 639 – 5TH Avenue S.W.
Calgary, AB T2P 0M91 State Street Financial Centre

Attention: David Tawil, Chief Executive Officer
Facsimile: 646.479.9387

All notices to the Optionee will be addressed to the principal address of the Optionee on file with the Company. Either the Company or the Optionee may designate a different address by written

notice to the other. Such notices are deemed to be received, if delivered personally, on the date of delivery, and if sent by prepaid, registered mail, on the fifth business day following the date of mailing. Any notice given by either the Optionee or the Company is not binding on the recipient thereof until received.

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THIS SHARE OPTION PLAN was adopted by the board of directors of the Company on _____, 2025.

CENTAURUS ENERGY INC.

By: _____

Name: David D. Tawil

Title: Chief Executive Officer

SCHEDULE A
Share Option Plan Option Agreement

Centaurus Energy Inc. (the "**Company**") hereby grants to the Optionee named below (the "**Optionee**"), an option (the "**Option**") to purchase, in accordance with and subject to the terms, conditions and restrictions of this Share Option Agreement, together with the provisions of the Share Option Plan of the Company dated _____, 202_ (the "**Plan**"), the number of common shares in the capital of the Company ("**Common Shares**") at the price per share set forth below:

Name of Optionee: _____

Type of Participant: **[Employee Participant, Consultant Participant or Director]**

Date of Grant: _____

Total No. of Common Shares Subject to Option: _____

Exercise Price: _____

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Option Agreement and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

2. Subject to Sections 3.12 and 4.4 of the Plan and unless otherwise determined by the Plan Administrator at the time of granting an Option, each Option is exercisable as set forth in Section 3.5 of the Plan.

3. Subject to Section 3.4 of the Plan, in no event is the Option granted hereunder exercisable after the Expiry Date.

4. No fractional Common Shares will be issued on the exercise of the Option granted hereunder. If, as a result of any adjustment to the number of Common Shares issuable on the exercise of the Option granted hereunder pursuant to the Plan, the Optionee would be entitled to receive a fractional Common Share, the Optionee has the right to acquire only the adjusted number of full Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares so disregarded.

5. Nothing in the Plan or in this Option Agreement will affect the Company's right, or that of a Designated Subsidiary, to terminate the employment of, or consulting agreement or arrangement with, the Optionee at any time for any reason whatsoever. Upon such termination, the Optionee's rights to exercise Options will be subject to restrictions and time limits for the exercise of Options. Complete details of such restrictions are set out in the Plan, and in particular in Sections 3.8, 3.9 and 3.10 of the Plan.

6. Each notice relating to the Option, including the exercise thereof, must be in writing. All notices to the Company must be delivered personally or by prepaid registered mail and must be addressed to the Secretary. All notices to the Optionee will be addressed to the principal address of the Optionee on file with the Company. Either the Company or the Optionee may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally, on the date of delivery, and if sent by

prepaid, registered mail, on the fifth business day following the date of mailing. Any notice given by either the Optionee or the Company is not binding on the recipient thereof until received.

7. When the issuance of Common Shares on the exercise of the Option may, in the opinion of the Company, conflict or be inconsistent with any applicable law or regulation of any governmental agency having jurisdiction, the Company reserves the right to refuse to issue such Common Shares for so long as such conflict or inconsistency remains outstanding.

8. Subject to Section 3.9 of the Plan, the Option granted pursuant to this Option Agreement may only be exercised during the lifetime of the Optionee by the Optionee personally and, subject to Section 5.3 of the Plan, no assignment or transfer of the Option, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Option whatsoever in any assignee or transferee, and immediately upon any assignment or transfer or any attempt to make such assignment or transfer, the Option granted hereunder terminates and is of no further force or effect. Complete details of this restriction are set out in the Plan.

9. The Optionee hereby agrees that:

   (a) any rule, regulation or determination, including the interpretation by the Plan Administrator of the Plan, the Option granted hereunder and the exercise thereof, is final and conclusive for all purposes and binding on all persons including the Company and the Optionee; and

   (b) the grant of the Option does not affect in any way the right of the Company or any Designated Subsidiary to terminate the employment or service of the Optionee.

10. This Option Agreement has been made in and is to be construed under and in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

CENTAURUS ENERGY INC.

By: _____

Name:

Title:

I have read the foregoing Option Agreement and hereby accept the Option to purchase Common Shares in accordance with and subject to the terms and conditions of such agreement and the Plan. I understand that I may review the complete text of the Plan by contacting the Secretary of the Company. I agree to be bound by the terms and conditions of the Plan governing the award.

_____ _____

Date Accepted Optionee's Signature

_____

Optionee's Name
(Please Print)

SCHEDULE B
Share Option Plan Exercise Notice Form – Options

I, _____, hereby exercise the option
(print name)
to purchase _____ Class A Common shares (each, a "**Common Share**") in the capital of Centaurus Energy Inc. (the "**Company**") at a purchase price of $_____ per Common Share. This Exercise Notice is delivered in respect of the option to purchase_____ Common Shares of the Company that was granted to me on _____ pursuant to the Option Agreement entered into between the Company and me. In connection with the foregoing, I enclose a certified cheque, bank draft or money order payable to the Company in the amount of $_____ as full payment for the Common Shares to be received upon exercise of the Option.

_____ _____
Date Optionee's Signature

SCHEDULE C
CHANGE OF BUSINESS RESOLUTIONS

BE IT RESOLVED THAT:

1. The change of business of the Company from a Tier 2 Oil & Gas Issuer to a Tier 2 Investment Issuer (the "**COB**"), pursuant to Policy 5.2 – Changes of Business and Reverse Takeovers of the TSX Venture Exchange, is hereby authorized and approved.

2. Notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further notice to or approval of any shareholders of the Company not to proceed with the COB at any time.

3. Any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions.

SCHEDULE D
GASENER TRANSACTION RESOLUTION

BE IT RESOLVED THAT:

1. The Shareholders of the Company retroactively approve the Gasener Transaction, including the sale of 100% of the MVI Shares (and the ownership interest in MEA) to Gasener for USD $20,000.

2. The Shareholders acknowledge that Gasener is an arm's-length party and confirm no finder's fee was paid in connection with the transaction.

3. Any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions.

4. The directors of the Company are hereby authorized and granted with absolute discretion and without further approval of the shareholders, to abandon the retroactive approval of the Gasener Transaction and to revoke and rescind the foregoing resolutions before they are acted upon without further approval, ratification or confirmation by the shareholders of the Company.

SCHEDULE E
CHANGE OF NAME RESOLUTIONS

BE IT RESOLVED THAT:

1. The change of the name of the Company from "Centaurus Energy Inc." to "Layer One Inc." or such other name as determined by the directors of the Company in its sole discretion, subject to the approval of the TSX Venture Exchange, is hereby authorized and approved (the "**Name Change**").

2. Notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further notice to or approval of any shareholders of the Company not to proceed with the Name Change at any time.

3. Any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions.

4. The directors of the Company are hereby authorized and granted with absolute discretion and without further approval of the shareholders, to abandon the Name Change and to revoke and rescind the foregoing resolutions before they are acted upon without further approval, ratification or confirmation by the shareholders of the Company.

SCHEDULE F
INVESTMENT POLICY

Centaurus Energy Inc. (the "**Company**") has adopted the following investment policy.

Investment Objectives

The Company's investment objectives are to seek:

(a) A high return on investment opportunities in the physical and digital commodities sector;

(b) Exposure to a suite of physical and digital commodities; and

(c) Significant upside exposure through the effective structuring of its investments.

The Company intends to grow upon its diversified portfolio of investments using a disciplined approach to identifying, reviewing, and assessing exploration projects and pre-production assets.

It also plans to reinvest the profits of its investments to further the growth and development of the Company's investment portfolio.

Investment Strategy

Considering the numerous investment opportunities across the entire commodities sector, the Company aims to adopt a flexible approach to investment targets without placing unnecessary limits on potential returns on its investment. This approach is demonstrated in the Company's proposed investment strategy below.

Investment Sector: Physical and digital commodities.

Investment Types: Equity, debt, convertible debentures, royalties, streams, derivatives, cryptocurrencies and other investment structures or instruments that could be acquired or created to give the Company exposure to commodities.

Commodities: All commodities.

Investment Size: Unlimited, which may result in the Company holding a control position in an investee.

Investment Timeline: Not limited.

Investment Review: The Company will actively review and revisit all investments on an ongoing basis.

Composition of Investment Portfolio

The Company may have a hyper-concentrated or exclusive portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of several factors, including the performance of markets and risk.

Procedures and Implementation

The process for identifying and evaluating investment opportunities at the Company involves the senior officers, other Management, and Board of directors working together to identify potential investments. Management will then assess whether the proposal fits with the Company's investment and corporate strategy and objectives and, if deemed suitable, will proceed with preliminary due diligence. This may involve the use of outside professional consultants. If the Company decides to invest, Management will summarize its rationale and present it to the Board for final approval. Management is responsible for selecting all investments for submission to the Board and monitoring the Company's investment portfolio.

Compliance

All investments shall be made in compliance with applicable laws in relevant jurisdictions and shall be made in accordance with and governed by the rules and policies of applicable regulatory authorities.

From time to time, the Board may authorize such additional investments outside of the guidelines described herein as it sees fit for the benefit of the Company and its shareholders.

Conflicts of Interest

The Company has no restrictions on investing in corporations in which a board member may already have an interest, but any investments with a material conflict of interest involving an employee, officer, or director of the Company must be approved by the disinterested directors of the Board. The Company is also subject to the "related party" transaction policies of the TSX Venture Exchange, which requires disinterested shareholder approval and valuations for certain transactions. All board members are required to disclose any interest in a potential investment, and if a conflict is detected, the target corporation will be notified in writing. The Board and its advisors are responsible for detecting potential conflicts, and if a conflict is determined to exist within Management or the Board, the individual with the conflicting interest must provide full disclosure and may not vote on the investment decision but may participate in discussions about the potential investment opportunity.

Amendment

The Company's investment objectives, strategy and restrictions and other provisions of this Investment Policy may be amended from time to time on the recommendation of Management and approval by the Board. Unless required by the TSX Venture Exchange, approval by the Company's shareholders of any such amendments is not required.