



CENTAURUS ENERGY INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2025

(Unless otherwise indicated, all dollar amounts are in United States dollars ("USD"))

*This Management's Discussion and Analysis of financial condition and results of operations ("MD&A") is based on information available to April 27, 2026 and should be read in conjunction with Centaurus Energy Inc.'s ("Centaurus" or the "Corporation") **audited consolidated financial statements** for the year ended December 31, 2025 and the accompanying notes. This MD&A contains forward-looking information about the Corporation's current expectations, estimates, projections and assumptions. See the Advisory for information on the risk factors that could cause actual results to differ materially and the assumptions underlying the Corporation's forward-looking information. Centaurus management prepared the MD&A, while the Audit Committee of the Centaurus Board of Directors (the "Board") reviewed and recommended its approval by the Board. Additional information relevant to the Corporation's activities contained in its continuous disclosure documents, including the consolidated financial statements and the Annual Information Form ("AIF"), is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") under the Corporation's profile at www.sedar.com and on the Corporation's website at www.ctaurus.com.*

Basis of Presentation

This MD&A and the consolidated financial statements and comparative information have been prepared in United States dollars ("USD"), except where another currency has been indicated, and have been prepared in accordance with IFRS Accounting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board ("IASB"). Sales volumes are presented on a before royalties basis.

Non-GAAP Measures

Certain financial measures in this document do not have a standardized meaning as prescribed by IFRS, such as funds flow from operations and therefore are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in order to provide shareholders and potential investors with additional measures for analyzing the Corporation's ability to generate funds to finance its operations and information regarding its liquidity. The additional information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The definition and/or reconciliation of each non-GAAP measure is presented in the Reconciliation of Cash Flow from Operating Activities and Funds Flow from Operations sections of this MD&A.

Funds flow from operations per share is calculated using the same basic and diluted weighted average number of shares for the period, consistent with the calculations of loss per share.

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Per boe amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. This equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.



Review of Operations

Introduction

Centaurus Energy Inc. ("Centaurus," the "Company," or the "Corporation") is an independent, Canadian company that was focused on Argentine upstream oil and gas with operations until January 2023. The Company is currently focused on investing in Ether and other digital commodities and on managing the future proceeds from the PAE ORRI.

Centaurus trades on the TSX Venture Exchange ("TSXV") under the symbol CTA and on the OTC Pink market under the symbol CTARF. Unless specifically noted, all current and comparative reporting periods' operating and financial disclosures and discussion are in reference to the continuing Argentine operations and corporate segments.

2023 Highlights

PAE ORRI

The PAE ORRI, announced on April 28, 2021 and closed on March 23, 2022, is the payment to Centaurus, over time, of 1.25% to 2.5% Overriding Royalty Interest over the net proceeds corresponding to the 29% interest assigned by Centaurus to Pan American Energy, S.R.L., Argentine Branch ("PAE"), which is payable by PAE in semi-annual installments, and other considerations totaling \$16.83 million (as of the effective date of January 1, 2021).

To date, PAE has made payments to Centaurus as planned and Centaurus expects that PAE will continue to make the payments in the future from the output and revenue from Coiron Amargo Sur Este.

Initially, the payments to Centaurus equal an overriding royalty of 1.25%, with another 1.25% being credit to PAE for previous payment made to the Province of Neuquén on behalf of Centaurus. Upon complete satisfaction of the previous payments made to the Province of Neuquén by PAE on behalf of Centaurus, Centaurus will receive semi-annual overriding royalty payments of 2.5% corresponding to the 29% interest assigned by Centaurus to PAE.

The PAE ORRI agreement provides for an annual adjustment, for calculation and addition of interest and other expenses (income).

In February 2026, Centaurus received \$307,323 from the PAE ORRI.

In August 2025, Centaurus received \$339,191 from the PAE ORRI.

Nature of the PAE ORRI

The original PAE ORRI agreement contract (the "2021 PAE Agreement"), between PAE and MEA, was signed on April 28, 2021.

The 2021 PAE Agreement sets out that in exchange for the Transferred Interests (MEA's 29% ownership interest in CASE) PAE would pay MEA a Referenced Value of US\$ 51,425,626 comprised of:

- \$26,425,626 for the Outstanding Loan (under the Loan Agreement; i.e. PAE would cancel all the outstanding amounts owed by MEA to PAE under the Loan Agreement);
- \$350,000 for a deposit amount; and
- \$24,650,000 for the ORRI Payments (payable overtime in semi-annual installments, on the basis of a 2.5% net royalty on the Transferred Interests)

In addition, an Adjustment Factor rate (interest rate) of 1.5% is set for years 2023-2028, a 3% rate for years 2029-2033, and a 4.5% rate for years 2034 to 2040.

Finally, PAE's payment obligations are satisfied upon the earlier of:



- Payment in full of the ORRI Payments;
- December 31, 2040; and
- the termination of the CASE operating agreement by the Argentina Government

Prior to Closing, an Amendment to the PAE ORRI, between PAE and MEA, reducing the total amount of the ORRI to \$16.8mm, was executed on March 21, 2022 (the “Amended PAE Agreement”).

Due to multiple closing conditions, the agreement/transfer was closed on March 23, 2022.

Pursuant to the Amended PAE Agreement

- the Referenced Value was amended to \$49,255,625.56 (reduced by \$2,170,000);
- PAE would pay, on behalf of MEA, to the Province of Neuquén the amount of \$6,000,000, relating to independent amounts owed by MEA to the Province of Neuquén;
- The ORRI Payments were reduced to \$16,830,000.

The Amended PAE Agreement also sets out that the quota payment (outlined in the original 2021 PAE Agreement) to be received from PAE for the ORRI Payments would be updated as follows:

- 1.25% of the Net Proceeds of the ORRI will be paid until MEA receives \$8,000,000 of ORRI Payments; and
- After the \$8m is completely paid, the quota payment shall revert to entire 2.5% payable to MEA until the ORRI Payments are fully paid.

MEA transferred the ORRI to Centaurus pursuant to the Assignment Agreement dated January 12, 2023.

PAE is required to pay the ORRI Payments semi-annually; Jan-June (H1) and July-Dec (H2).

The H1 payment amount is calculated, detailed and communicated by PAE in July of the corresponding year, and payment is made mid-August.

The H2 payment amount is calculated, detailed and communicated by PAE in January of the following year, and payment is made in mid-February.

2024 Highlights

Capital allocation strategy

On March 27, 2024, Centaurus announced a new capital allocation strategy, focused on the digital commodity Ether (ETH), the native asset of the Ethereum blockchain. Now, the Company will hold that digital commodity as primary treasury reserve asset.

Centaurus began purchasing Ether on March 26, 2024.

As at December 31, 2025, the company owned a total of 138.85751 Ether (ETH). That holding includes 0.9116 ETH earned during the quarter in staking. During the year ended December 31, 2025, the Company earned staking revenue of \$9,678.

The average purchase cost of the ETH is \$2,885.44 in 2025.

Loan agreement with David Tawil

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On March 20, 2024, in connection with the company's capital allocation strategy, David Tawil entered into a loan agreement with Centaurus, providing up to \$1.5 million of capital, at greater of: (i) 7% per annum or (ii) 65% of the profits (realized and unrealized; staking income and capital appreciation) on the corresponding Ether purchased by the Company.

Change of Business

On July 16, 2024, Centaurus announced that the TSX Venture Exchange ("TSX-V" or the "Exchange") issued a temporary trading halt as a normal course of action in connection with the proposed change of business of the Company from a Tier 2 Oil & Gas Issuer to a Tier 2 Investment Issuer (the "Proposed Change of Business"), pursuant to TSX-V Policy 5.2 - *Changes of Business and Reverse Takeovers*.

The update aims to refine the Company's transition from oil & gas exploration and production operator, which was the result of the 2023 sale of Madalena Energy Argentina S.R.L. to Gasener, to making strategic investments in physical and digital commodities. With this new listing status, Centaurus may invest directly in physical and digital commodities, undertake corporate transactions, and acquire strategic equity positions.

In addition, subject to approval by the Exchange, the Company plans to change its name to "Layer One Inc." and its trading symbol to "LAYR" or such other name and trading symbol as may be determined by Centaurus which are acceptable to the Exchange.

On December 23, 2024, the Exchange conditionally accepted the Company's Proposed Change of Business.

Stock purchases

During 2025, Centaurus has purchased 22,000 of its common shares at an average cost CAD 2.85 per share. The company now holds 37,300 shares.

On May 28, 2024, Centaurus announced that the TSX Venture Exchange ("TSX-V") accepted the Company's notice to extend and implement a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 108,545 of its common shares, representing 10% of Centaurus' Public Float (calculated in accordance with the rules of the TSX-V), over a twelve month period commencing on May 30, 2024. The NCIB expired on May 30, 2025.

Auditor Change

Centaurus changed its auditor from Davidson & Company LLP ("Davidson") to McGovern Hurley LLP ("McGovern") effective December 22, 2025. McGovern has been appointed as the successor auditor to hold office until close of Centaurus' next annual general meeting.

Davidson, Centaurus' former auditor, resigned on December 19, 2025, at the request of the Company, and the resignation was considered and approved by the Corporation's board of directors. The decision to appoint McGovern as successor auditor was also considered and approved by the Company's board of directors.

Shareholder Meeting

Centaurus Energy Inc. held a general and special meeting of shareholders on February 26, 2025. All the matters that were raised in the context of the Company's annual general and special meeting were approved. Specifically, relating to the Company's Change of Business, the shareholders approved the change of business of the Company from a Tier 2 Oil & Gas Issuer to a Tier 2 Investment Issuer and approved the change of the name of the Company from "Centaurus Energy Inc." to "Layer One Inc."



The Company continues to work with the TSX Venture Exchange to complete all the conditions precedent to its approval of the Change of Business and Name Change, upon which the Company's name will be officially changed, along with the assignment of new stock ticker symbols. Specifically, the Company continues to be in discussions with potential partners to secure the Company's initial independent financing for investment in digital assets.

Funds flow, Net Loss and Comprehensive Loss

USD 000s	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Funds flow from (used in) operations	(128)	(318)	(629)	(389)
Per share – basic & diluted	(0.12)	(0.30)	(0.62)	(0.36)
Net income (loss) gain - operations	177	(51)	125	209
Per share – basic & diluted	0.17	(0.05)	0.12	0.19
Comprehensive (loss) gain Operations	176	(51)	124	209

Centaurus' funds flow for the Quarter was \$128 thousand.

The net gain for the Quarter was \$177 thousand (Q4-2024 loss of \$51 thousand).

Transactions with Related Parties

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As at December 31, 2025, the Company's key management personnel consist of its directors and senior management. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were:

David Tawil (CEO): \$246,600

Jeffrey Borack (CFO): \$5,000

As at December 31, 2025, the interest expense accrued on the two David Tawil loans (see note 7) was \$66,341 (2024 - \$55,000).

As at December 31, 2025, the Company owes David Tawil the sum of \$913,563 (2024 - \$1,019,000) for consulting fees. That debt is included within "Trade and other payables".

Financial Position, Liquidity and Capital Resources

Liquidity risk

USD 000s	December 31 2025	December 31 2024
Working capital (deficit) surplus		
Argentina	4	-
Canada	(4,760)	(4,795)
Shareholders' equity	6,635	6,556

As at December 31, 2025, the consolidated working capital of the Corporation was a deficit of \$4.7 million (December 31, 2024 -\$4.8 million).



At December 31, 2025, cash and cash equivalents of \$13 thousand was deposited with banks in Canada and United States of America.

Commitments and Contingencies

On March 27, 2020, the Company received a notice of default and reservation of rights from KD Energy and Hispania, alleging that the Corporation is in default of the terms of the Working Capital Loan Agreement and Amended and Restated Convertible Loan Agreement.

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 Centaurus allegedly under a CapEx loan in the amount of \$2,093,014.76, plus 7% interest from April 7, 2020 to date of trial, or alternatively a claim by Totisa in unjust enrichment for funds advanced in the amount of \$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 \$315,000 plus aggravated and punitive damages of \$300,000, and Alejandro Penafiel has claimed for wrongful dismissal damages of \$180,000 plus aggravated and punitive damages of \$150,000, plus interest.

In this case, Centaurus 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 \$2,411,770.40 plus interest of 7% per annum accruing from June 27, 2022 to date of trial, for funds advanced to Centaurus under either a CapEx loan or Working Capital Loan facility, plus costs. This relief sought is duplicative of the relief sought previously.

Centaurus 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. Centaurus filed a Reply to Statement of Defence to Counterclaim.

PEÑAFIEL, JOSÉ S/INFRACCIÓN ARTS. 309 Y 311 DEL C.P.

Centaurus Energy's prior management, specifically, Mr. José David Peñafiel and Mr. Alejandro Peñafiel, have been charged with and are being investigated by federal prosecutors in Buenos Aires, Argentina for numerous criminal counts, including, fraudulent management, special fraud to shareholders, market manipulation, accounting fraud, and money laundering.

In December 2025, the prosecutor and the judge in the case have issued a request for the deposition of Mr. José David Peñafiel in February 2026.

Repatriation of Funds to Canada

Despite the proceeds of the PAE ORRI being paid in Argentina, the Company no longer has any operations in Argentina. Funds are required to enable the Company to maintain compliance and manage the regulatory, reporting, audit, legal and tax requirements of a company listed on the TSX-V.



Fair value of Financial Instruments

The Corporation's financial instruments include cash, ORRI receivables, certain items in other long-term assets and liabilities, current portion of long-term debt, trade and other payables, taxes payable, convertible loan, the carrying values of which approximate their fair values due to their short-term nature with the exception of certain other long-term assets and liabilities whose calculated fair value approximates its carrying value.

Annual and Quarterly Financial Results

General and Administration ("G&A") Expenses

USD 000s	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Argentina				
Gross G&A				
Professional services	5	-	5	-
	5	-	5	-
Corporate				
Gross G&A				
Compensation costs	61	62	247	251
Consulting fees	33	-	103	82
Professional services	30	58	183	91
Other	-	3	8	47
	124	123	541	471
Consolidated				
Net G&A Total	129	123	546	471

Gross G&A expenses increased to \$546 thousand compared to \$471 thousand in 2024. This is mainly due to the increase in professional services and consulting costs.

Finance (Income) and Expenses

USD 000s	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Argentina				
Bank charges	1	-	1	-
Foreign exchange (gain) loss – unrealized	2	-	2	-



Other	(2)	-	(2)	-
	1	-	1	-
Corporate				
Bank charges	-	1	1	3
Foreign exchange (gain) loss – unrealized	(3)	(29)	72	(36)
Finance income from ORRI receivable	(201)	(310)	(789)	(653)
Accrued interest	53	(73)	209	203
	(151)	(279)	(507)	(483)
Consolidated				
Net Finance Total	(150)	(279)	(506)	(483)

Finance income increased to \$506 thousand compared to \$483 thousand in 2024. This is mainly due to the results of finance income received from the ORRI receivable

Annual Financial Results

As at December 31	2025	2024	2023
USD 000s, unless otherwise noted			Restated
Revenues	10	6	-
Finance income from ORRI receivable	789	653	-
Net income	125	209	1,389
Shares outstanding – millions	1.1	1.1	1.1
Net income per share – basic and diluted-continuing operations	0.12	0.19	1.28
Total assets	12,201	12,078	11,302
Shareholders' equity	6,635	6,556	6,359

Quarterly Financial Results - Continuing Operations

	Q4	Q3	Q2	Q1
USD 000s, unless otherwise noted	2025	2025	2025	2025
Revenues	3	2	2	3
Net income (loss)	150	31	(52)	(32)
Shares outstanding – millions	1.1	1,1	1,1	1,1
Net income (loss) per share – basic and diluted	0.17	0.03	(0.05)	(0.03)

	Q4	Q3	Q2	Q1
USD 000s, unless otherwise noted	2024	2024	2024	2024
Revenues	-	-	-	-
Net income (loss)	(52)	(72)	349	(16)
Shares outstanding – millions	1.1	1,1	1,1	1,1
Net income (loss) per share – basic and diluted	(0.05)	(0.07)	0.32	(0.01)



Operating Segments

The Company has concluded that it has only one operating segment, the managing the future proceeds from the Overriding Royalty Interest payable by PAE ORRI, which may include investment in new endeavors and or capital returns.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Critical Accounting Judgments, Estimates and Accounting Policies

For further details regarding the Corporation's critical accounting judgments, estimates and accounting policies, the following should be read in conjunction with the Corporation's consolidated financial statements for the year ended December 31, 2025.

Critical accounting estimates are those estimates that require management to make particularly subjective or complex judgments about matters that are inherently uncertain. Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to accounting estimates are recognized in the period in which the estimates are revised. During the Quarter, there were no changes to the Corporation's key sources of estimation uncertainty. Further information on the Corporation's key sources of estimation uncertainty can be found in the notes to the consolidated financial statements for the year ended December 31, 2025.

Management is required to make judgments, estimates and assumptions in the application of accounting policies that could have a significant impact on the Corporation's financial results. Actual results may differ from those estimates and those differences may be material. The estimates and assumptions used are subject to updates based on experience and the application of new information. The Corporation's critical accounting policies and estimates are reviewed annually by the Audit Committee of the Board. Further details on the basis of presentation and significant accounting policies can be found in the Corporation's notes to the consolidated financial statements for the year ended December 31, 2025.

Further information on management's critical accounting judgments in applying accounting policies can be found in the notes to the consolidated financial statements for the year ended December 31, 2025.

Risk Management

For a full understanding of the risks that impact the Corporation, the following discussion should be read in conjunction with the Corporation's consolidated financial statements for the year ended December 31, 2025.

The Corporation is exposed to a number of risks through the pursuit of its strategic objectives. Some of these risks impact the oil and gas industry as a whole and others are unique to its operations and its involvement in Argentina. Actively managing these risks improves the Corporation's ability to effectively execute its business strategy. The factors that impact the Corporation's exposure to liquidity risk, safety risk, capital project execution and operating risk, reserves replacement risk, environmental risk and regulatory risk has not changed substantially since December 31, 2024. For a further and more in-depth discussion of the Corporation's risk management see the Corporation's consolidated financial statements for the year ended December 31, 2025.

A description of the risk factors and uncertainties affecting the Corporation can be found in the Advisory.

Subsequent Event

On March 30, 2026, David Tawil was granted options to purchase 54,403 shares at an exercise price of USD 1.25, with a March 30, 2031 expiry date.



Outstanding Share Data

As of the date of this MD&A, the Company has:

- a) 1,142,473 common shares outstanding, of which 37,300 are held in treasury
- b) 54,403 options outstanding, expiring March 30, 2031

Corporate Governance Disclosure

Please see the attached Appendix “A” for information on the Corporation’s Corporate Governance.

Audit Committee

Audit Committee Charter

The Charter of Company’s Audit Committee is attached to this MDA as Schedule “B”.

Composition of the Audit Committee

The members of the audit committee are David D. Tawil, Steven 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 Steven 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.

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).

Advisory

Forward Looking Statements

This MD&A may include forward-looking statements including opinions, assumptions, estimates and management's assessment of future plans and operations, expected depletion, depreciation and accretion expenses, expectations as to the taxability of the Company and planned capital expenditures and the timing and funding thereof. When used in this document, the words "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "plan", "should" and similar expressions are intended to be among the statements that identify forward-looking statements. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to, currency fluctuations, the ability to implement corporate strategies, the ability to repatriate funds from Argentina, the state of domestic capital markets, the ability to obtain financing, incorrect assessment of the value of acquisitions, changes in general economic conditions, and other factors, all of which are more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities.

The forward looking statements contained in this MD&A are expressly qualified by this cautionary statement. Readers are cautioned not to place undue reliance on forward-looking statements, as no assurances can be given as to future results, levels of activity or achievements. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.



Numerical Amounts

The reporting and the measurement currency is the USD.



APPENDIX A

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 December 31, 2024, 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 MD&A.

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 December 31, 2025, 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.



SCHEDULE B
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 at 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

V. To fulfill its responsibilities and duties, the Committee shall:

a. Documents/Reports Review

i. Review and update this Charter annually.

ii. 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.

b. External Auditors

- i. 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.
- ii. 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. =
- iii. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- iv. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- v. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- vi. 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.
- vii. 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.
- viii. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- ix. 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:
 1. 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;
 2. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 3. 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.

c. Financial Reporting Processes

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



- ii. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
 - iii. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
 - iv. 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.
 - v. 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.
 - vi. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
 - vii. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
 - viii. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
 - ix. Review certification process.
 - x. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- d. Risk Management
- i. 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).
 - ii. To inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
 - iii. 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.
 - iv. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.
- e. Other
- i. Review any related-party transactions.