

Centaurus Energy Announces Plans to Focus on Investing Directly in Physical and Digital Commodities and Related Proposed Change of Business into an Investment Issuer

January 08, 2025 3:00 PM EST | Source: Centaurus Energy Inc (/company/3417/Centaurus-Energy-Inc)

Initial investment focus will be on acquisition and staking of Ether and Solana tokens

Centaurus Energy Announces Name Change to Layer One Inc.

Centaurus Energy Announces Shareholders' Meeting

Calgary, Alberta--(Newsfile Corp. - January 8, 2025) - **Centaurus Energy Inc.** (TSXV: CTA) (OTC Pink: CTARF) ("**Centaurus**" or the "**Company**") announces that on December 23, 2024, the TSX Venture Exchange ("**TSX-V**" or the "**Exchange**") conditionally accepted the Company's proposed change of business 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*. Additionally, the Exchange conditionally accepted the Company's application for a name change to "Layer One Inc." (the "**Name Change**"), the reviewable transactions for the sale of the Coiron Amargo Sur Este petroleum block (the "**CASE Transaction**"), and the Madalena Energy Argentina S.R.L./Gasener SRL disposition (the "**Gasener Transaction**").

The Proposed Change of Business aims to refine the Company's transition from oil & gas exploration and production, following the 2023 sale of Madalena Energy Argentina S.R.L., to strategic investment in physical and digital commodities. With this new listing status, Centaurus may invest directly in physical and digital commodities (including Ether (ETH) and Solana (SOL)), undertake corporate transactions, and acquire strategic equity positions.

The Company will focus on fulfilling the prescribed requirements outlined in the Exchange's conditional acceptance of the Proposed Change of Business, hold a meeting of its shareholders to obtain, among other things, approval of the Proposed Change of Business, the Name Change and the Gasener Transaction (the "**Shareholders' Meeting**"), and secure the Exchange's final approval in an expedient manner. Subsequent to the completion of the Proposed Change of Business, and subject to obtaining final approval of the Exchange, the Company will be listed on the TSX-V as a Tier 2 Investment Issuer, aligning the Company with its current business focus in strategic investment in physical and digital commodities.

Mr. David D. Tawil, CEO of Centaurus, commented, "We are excited to complete the final steps in Centaurus' Proposed Change of Business, with our primary focus on strategic investment in physical and digital commodities. As an initial matter, and to deploy the proceeds of Centaurus' passive royalty interest from the Coiron Amargo Sur Este petroleum block, located in the Province of Neuquén, Argentina, we will be focused on Ether (ETH) and Solana (SOL) along with staking activities. We find the global acceptance, energy efficiency, self-deflationary monetary policy, and consistent upgrade of network software of Ether (ETH) to be persuasive evidence of its superiority as a digital commodity. Alongside Ether, Solana (SOL) is emerging as a critical player in the blockchain ecosystem. Known for its high-performance capabilities, low transaction costs, and scalability, Solana provides an efficient alternative for decentralized applications and blockchain-based services. Ether, as the world's most valuable cryptocurrency of a public blockchain powering "smart contracts" and DApps (Decentralized Applications), serves as the epicenter for DeFi (Decentralized Finance), NFTs (Non-fungible Tokens), and securities tokenization efforts by some of the largest asset management firms globally. Similarly,

Solana's rapid growth and adoption, coupled with its strong developer ecosystem and robust staking opportunities, position it as a complementary investment asset in our portfolio. By investing and staking in either or both ETH and SOL, we aim to capitalize on the unique strengths of these leading blockchain platforms, ensuring strategic exposure to the evolving digital asset landscape. We expect to evaluate and, if appropriate, invest in the cryptocurrency of other Layer 1 blockchains, such as, XRP, Cardano (ADA), BNB, and Avalanche (AVAX), along with related staking activities, where available. Furthermore, the Company will seek to raise additional capital in connection with these efforts to maximize shareholder value."

Ethereum^[1]

Ether is a digital commodity 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 public, continuous, uninterrupted and transaction ledger known as a blockchain. The infrastructure is collectively maintained by a decentralized user base.

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.

Today, Ethereum employs a Proof of Stake (PoS) consensus mechanism, called Gasper, which selects validators to create new blocks based on their staked ETH. Validators are rewarded for proposing and voting on blocks and face slashing penalties for potential malicious actions, ensuring network security through economic incentives. This system is designed to prioritize security, scalability, prevent chain reorganization, and achieve energy efficiency.

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 Ethereum Virtual Machine ("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.

Currently, Ethereum is a digital economy that attracts approximately 20 million monthly active users while settling \$4 trillion in settlement value and facilitating \$5.5 trillion in stablecoin transfers over the last twelve months. Ethereum secures over \$91.2 billion in stablecoins, \$6.7 billion in tokenized off-chain assets, and \$308 billion in digital assets.

Currently, the majority of activity on Ethereum is financial activity. Decentralized exchanges and banking protocols comprise 49% of Ethereum's revenues, while 20% is accounted for by simple transfers of value. Meanwhile, infrastructure makes up the next largest share, around 19%, which relates to decentralized businesses, and creates software to service decentralized apps. Finally, activities related to social media, gaming and NFTs contributed 11% of Ethereum's revenues. Currently, AI plays a minor role in generating revenue for Ethereum.

Solana^[2]

Solana (SOL) is an open-source blockchain platform designed to support decentralized applications (DApps) and decentralized finance (DeFi) solutions.

Solana employs a combination of Proof of Stake (PoS) and Proof of History (PoH) consensus mechanisms. PoH introduces a cryptographic timestamp that verifies the sequence and passage of time between events, enabling the network to process transactions in parallel and significantly increasing throughput. This architecture allows Solana to handle thousands of transactions per second, with low latency and relatively low fees.

The native cryptocurrency of the Solana network, SOL, serves multiple purposes:

- **Transaction Fees:** SOL is used to pay for transaction fees and smart contract executions on the network.
- **Staking:** Users can stake SOL to participate in the network's PoS consensus mechanism, contributing to network security and earning rewards.
- **Governance:** SOL holders may in the future have the opportunity to participate in governance decisions, influencing the future direction of the platform.

Solana has been utilized in a range of applications, including decentralized exchanges, NFT marketplaces, and various DeFi protocols. It has also been associated with projects such as Hivemapper, Render, and Helium, demonstrating its use in areas beyond financial applications.

Name Change

In connection with its Proposed Change of Business, Centaurus is pleased to announce that, subject to approval at the Shareholders' Meeting, the Company plans to change its name to "Layer One Inc." and its trading symbol to "LAYR". The new name and branding are appropriate for the future direction of the Company after updating its listing status from an oil and gas issuer to an investment issuer pursuant to the policies of the Exchange.

The Name Change was approved by the board of directors of the Company in accordance with the Company's governing corporate legislation, the *Business Corporations Act* (Alberta), and the Company's constating documents, and it will be submitted to shareholders at the Shareholders' Meeting. The Exchange has conditionally accepted the Company's application for the Name Change.

Common share certificates bearing the previous company name "Centaurus Energy Inc.", continue to be valid in the settlement of trades and will only be replaced with certificates bearing the new name upon transfer. The Company is not requesting, and shareholders are not required to exchange their existing share certificates for new certificates bearing the new company name.

With regard to the Company's Name Change, Tawil continued, "'Layer One Inc.' more accurately reflects the focus of our investment activities and will allow market participants to easily identify us as a leading public company focused on investment in liquid digital assets."

Gasener Transaction

On February 7, 2023, the Company completed a transaction with Gasener S.R.L. ("**Gasener**") whereby, pursuant to a share purchase agreement entered into between the Company and Gasener, Gasener purchased 100% of the issued and outstanding shares of Madelena Ventures International Inc., the sole shareholder of Madelena Ventures International Inc., held by the Company, for cash consideration of USD \$20,000.

At the Shareholders' Meeting, the Company will be requesting shareholders to retroactively approve the Gasener Transaction. The Exchange has conditionally accepted the Gasener Transaction.

Shareholder Meeting

The Company has not held an annual shareholders' meeting since July 22, 2022, due to the Company's multi-party discussions to exit its Argentina operations, the preoccupation with the sale of Madalena Energy Argentina, securing payment of the PAE ORRI, and contemplation and decision of a go-forward strategy for the Company. Furthermore, to

reduce the pressure on the Company's liquidity position and to provide maximum value to its shareholders, the Company operates with only one full-time employee, CEO, David D. Tawil.

The Company intends to call the Shareholders' Meeting in February, 2025, to approve, among other things, the Proposed Change of Business, pursuant to TSX-V Policy 5.2 - Changes of Business and Reverse Takeovers of the Exchange, the Name Change and the Gasener Transaction, among other annual matters. Additionally, the Company intends to elect two directors with public company experience, per Exchange requirements.

Details of Proposed Change of Business

The Proposed Change of Business is not being conducted in connection with a transaction or financing, and instead is intended to reflect the business of the Company moving forward. The Proposed Change of Business is entirely carried out as an arm's length transaction.

The Proposed Change of Business represents the Company's intention to grow and expand its current investment portfolio pursuant to an investment policy adopted by the board of directors of the Company (the "**Investment Policy**"). A copy of the Investment Policy shall be available to the shareholders of the Company in the management information circular (the "**Information Circular**") to be distributed to shareholders in advance of the Shareholders' Meeting.

Shareholders of the Company are encouraged to read the in-depth summary on the Company's current investment portfolio as well as the digital commodities currently held by the Company in the Information Circular.

Concurrent Financing

In conjunction with the Proposed Change of Business, the Company intends 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. 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.

Sponsorship, Insiders, Control and Management

Sponsorship of the Proposed Change of Business is required unless an exemption is available or a waiver from this requirement can be obtained in accordance with the policies of the TSX-V. The Company intends to apply for a waiver to the sponsorship requirement under Policy 2.2 of the TSX-V, Sponsorship and Sponsorship Requirements. There is no assurance that a waiver will be granted.

The Company does not expect any change in its insiders nor the persons who, directly or indirectly, control or direct the Company to occur in relation with the Proposed Change of Business.

Reader Advisories

Completion of the Proposed Change of Business, the Name Change and the Gasener Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Proposed Change of Business cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Change of Business will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Information Circular to be prepared in connection with the Proposed Change of Business, the Name Change and the Gasener Transaction, any information released or received with respect to the Proposed Change of Business, the Name Change and the Gasener Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the Proposed Change of Business, the Name Change and the Gasener Transaction and has neither approved nor disapproved the contents of this news release.

About Centaurus Energy

Centaurus is a company focused on investing in Ether, Solana and other digital commodities. The Company's shares trade on the TSX-V under the symbol "CTA" and on the OTC Pink Market under the symbol "CTARF".

FOR FURTHER INFORMATION, PLEASE CONTACT:

David Tawil, Chief Executive Officer
email: davidtawil@ctaurus.com (mailto:davidtawil@ctaurus.com)
phone: (646) 479-9387

Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This press release contains forward-looking statements which with respect to the possible approval of the Proposed Change of Business by the Exchange and the shareholders of the Company, and the implementation of the Proposed Change of Business, if implemented. These forward-looking statements may relate to, among other things, forecasts or expectations regarding business outlook for Centaurus or Ether, the requirements of the Exchange, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates", "guidance", or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements.

Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Centaurus. The reader is cautioned not to place undue reliance on any forward-looking information. Although such information is considered reasonable by management at the time of preparation, it may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. The forward-looking statements contained in this press release are made as of the date of this press release, and Centaurus do not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

^[1] All claims relating to Ether in this press release are sourced from Sigel, M., Bush, P. and Zinoviev, D. (2024, June 5). ETH 2030 Price Target and Optimal Portfolio Allocations (<https://api.newsfilecorp.com/redirect/kODEytDqzL>). VanEck.

^[2] All claims relating to Solana in this press release are sourced from Sigel and M., Bush, P. (2023, October 27). VanEck's Base, Bear, Bull Case: Solana Valuation by 2030 (<https://api.newsfilecorp.com/redirect/BpKnBiYzJL>). VanEck.

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