

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

**G2 Energy Corp.** (formerly G2 Technologies Corp.) (the "**Company**" or "**G2**")  
Suite 430 – 744 West Hastings Street  
Vancouver, British Columbia, V6C 1A5

**Item 2 Date of Material Change**

March 13, 2023

**Item 3 News Release**

The news release attached hereto as Schedule "A" announcing the material change described herein was disseminated through the news dissemination services of the Newswire on March 15, 2023. A copy of the news release was filed on SEDAR.

**Item 4 Summary of Material Change**

The Company announces that further to the news release dated January 20, 2023 regarding a notice of default, it has received a notice of foreclosure (the "**Notice**") from Cloudbreak Discovery PLC ("**Cloudbreak**") to the Company and its subsidiary G2 Energy TX1, Inc. ("**G2 TX1**") regarding an alleged default under Cloudbreak's US\$2 million secured debenture (the "**Debenture**").

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company announces that further to the news release dated January 20, 2023 regarding a notice of default, it has received a notice of foreclosure (the "**Notice**") from Cloudbreak Discovery PLC ("**Cloudbreak**") to the Company and its subsidiary G2 Energy TX1, Inc. ("**G2 TX1**") regarding an alleged default under Cloudbreak's US\$2 million secured debenture (the "**Debenture**").

Cloudbreak alleges there have been a number of defaults in respect of the Debenture. The first relates to the delayed payment of the Fourth Quarter End Installment payment which was due December 31, 2022. G2 currently has the monies in trust to pay the Fourth Quarter End Installment payment such that it can cure this default. Cloudbreak refuses to accept payment and maintains the position that the Company is in default.

The second alleged default relates to the payment of ad valorem taxes and related matters on the Masten Unit oil and gas producing property located in Texas (the "**Masten Project**"). The Masten Project is owned by the Company's subsidiary G2 TX1. The ad valorem taxes were paid by RMB Operating LLC ("**RMB**") on behalf of G2. The Company has sought clarity on the amounts allegedly owing to RMB and related matters in respect of the parties' ongoing working relationship, and has communicated to RMB that the Company is in a position to address all matters and has offered to do so.

The final alleged breach relates to the Company's alleged negative working capital. G2 disagrees with Cloudbreak's interpretation of the Debenture's terms and denies exceeding the permitted working capital thresholds.

RMB similarly alleges that the Company is in default of certain obligations owed to RMB, as operator of the Masten Project, including the Company's indebtedness to RMB and the Company's failure to maintain liability insurance. The Company has advised RMB that it is in a position to discuss and address any concerns, to the extent it is legally required to do so; however, the Company is waiting on a response and additional requested information from RMB.

The Company continues to raise capital in addition to capital recently secured by the Company. Further to the news release dated January 4, 2023, the Company is conducting an ongoing non-brokered private placement for gross proceeds of up to CAD\$1,500,000.

The Company is actively taking steps to address its creditors' concerns and has engaged Canadian and Texas legal counsel to assist with these matters. The Company continues to seek to engage in discussions with Cloudbreak and RMB. The Company continues to maintain the position that what it views as the outstanding payment amounts, together with any outstanding interest, as well as the legal fees incurred by Cloudbreak and RMB, are readily available.

See the full news release attached hereto as Schedule "A".

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Slawek Smulewicz, Chief Executive Officer  
Tel: 778-775-4985

**Item 9 Date of Report**

March 15, 2023.



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## G2 RECEIVES NOTICE OF FORECLOSURE

**Vancouver, British Columbia – March 15, 2023. G2 Energy Corp. (CSE:GTOO, FWB:UD9) (the "Company" or "G2")** announces today that, further to the news release dated January 20, 2023 regarding a notice of default, it has received a notice of foreclosure (the "**Notice**") from Cloudbreak Discovery PLC ("**Cloudbreak**") to the Company and its subsidiary G2 Energy TX1, Inc. ("**G2 TX1**") regarding an alleged default under Cloudbreak's US\$2 million secured debenture (the "**Debenture**").

Cloudbreak alleges there have been a number of defaults in respect of the Debenture. The first relates to the delayed payment of the Fourth Quarter End Installment payment which was due December 31, 2022. G2 currently has the monies in trust to pay the Fourth Quarter End Installment payment such that it can cure this default. Cloudbreak refuses to accept payment and maintains the position that the Company is in default.

The second alleged default relates to the payment of ad valorem taxes and related matters on the Masten Unit oil and gas producing property located in Texas (the "**Masten Project**"). The Masten Project is owned by the Company's subsidiary G2 TX1. The ad valorem taxes were paid by RMB Operating LLC ("**RMB**") on behalf of G2. The Company has sought clarity on the amounts allegedly owing to RMB and related matters in respect of the parties' ongoing working relationship, and has communicated to RMB that the Company is in a position to address all matters and has offered to do so.

The final alleged breach relates to the Company's alleged negative working capital. G2 disagrees with Cloudbreak's interpretation of the Debenture's terms and denies exceeding the permitted working capital thresholds.

RMB similarly alleges that the Company is in default of certain obligations owed to RMB, as operator of the Masten Project, including the Company's indebtedness to RMB and the Company's failure to maintain liability insurance. The Company has advised RMB that it is in a position to discuss and address any concerns, to the extent it is legally required to do so; however, the Company is waiting on a response and additional requested information from RMB.

The Company continues to raise capital in addition to capital recently secured by the Company. Further to the news release dated January 4, 2023, the Company is conducting an ongoing non-brokered private placement for gross proceeds of up to CAD\$1,500,000.

The Company is actively taking steps to address its creditors' concerns and has engaged Canadian and Texas legal counsel to assist with these matters. The Company continues to seek to engage in discussions with Cloudbreak and RMB. The Company continues to maintain the position that what it views as the outstanding payment amounts, together with any outstanding interest, as well as the legal fees incurred by Cloudbreak and RMB, are readily available.

On Behalf of the Board,

***"Slawek Smulewicz"***

Slawek Smulewicz  
CEO



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For further information, please contact

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VP Corporate Development

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W: [WWW.G2.ENERGY](http://WWW.G2.ENERGY)

**About G2 Energy Corp.**

G2 is a junior oil and gas producer listed on the CSE exchange. It's primary focus is to acquire and develop additional overlooked, low risk, high return opportunities in the oil and gas sector. G2's strategy is to obtain a portfolio of risk-managed production and development opportunities onshore, U.S.A. In May 2022, G2 acquired the Masten Unit in the Permian Basin, Texas. The Masten Unit is the Company's first producing asset. G2 is targeting top tier projects with operating netbacks and infrastructure facilities which will fast track overall oil and gas production growth.

*The Canadian Securities Exchange has neither approved nor disapproved the information contained herein.*

**Forward Looking Statements Caution**

*Statements in this press release regarding the Company which are not historical facts are "forward-looking statements" that involve risks and uncertainties. Such information can generally be identified by the use of forwarding-looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. The Company provides forward-looking statements for the purpose of conveying information about current expectations and plans relating to the future, including expectations regarding the Company's ability to meet its outstanding obligations, and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions may not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities may not be achieved. These risks and uncertainties include but are not limited to those identified and reported in the Company's public filings under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). The Company's ability to meet its outstanding obligations could differ materially from those currently anticipated due to factors such as: the performance of facilities and pipelines, commodity prices, price volatility, price differentials and the actual prices received for the Company's products, royalty regimes and exchange rates, the availability of capital, labour and services, the creditworthiness of industry partners, G2's ability to acquire additional assets, unexpected increases in operating costs, and risks associated with potential future lawsuits and regulatory actions made against the Company including but not limited to being found in default of the Company's obligations to Cloudbreak. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially.*