

**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 29, 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 April 3, 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 releases dated January 20, 2023 and March 15, 2023 regarding an alleged default of the Debenture (defined below), the Company, as Guarantor, has entered into a reinstatement, renewal and release agreement (the “**Agreement**”), dated as of March 29, 2023 with its subsidiary G2 Energy TX1, Inc. (“**G2 TX1**”), as Mortgagor, and Cloudbreak Discover PLC (“**Cloudbreak**”), as Mortgagee.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

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Cloudbreak is the holder of a debenture in the principal amount of \$2,000,000.00 (the “**Debenture**”) executed by G2 TX1 and guaranteed by the Company. The Debenture is secured by a certain deed of trust, fixture filing, assignment of as-extracted collateral, security agreement and financing statement (the “**Deed of Trust**”) dated as of April 27, 2022 covering the real property located in Cochran County, Texas, improvements situated thereon, and other property, as described in the Deed of Trust (the “**Mortgaged Property**”). The Debenture is further secured by a security pledge agreement dated May 23, 2022 (the “**Security Pledge Agreement**”) from G2 Energy Holding US Inc., as Pledgor, to Cloudbreak, as Lender. The Debenture, the Deed of Trust and the Security Pledge Agreement are collectively referred to as the “**Loan Documents**”.

Cloudbreak alleged that there were a number of defaults by the Company and G2 TX1 in respect of the Debenture and G2 and G2 TX1 disputed certain of these claims. Despite G2's efforts to negotiate a solution in January and February 2023, on February 17, 2023, Cloudbreak accelerated the maturity of the Debenture and demanded payment in full of all amounts owed thereunder, and also caused the substitute trustee of the Deed of Trust to post the Mortgaged

Property for foreclosure sale, which led to unnecessary and time-consuming legal posturing. The parties have now resolved their differences and entered into the Agreement.

### **Terms of the Agreement**

Pursuant to the terms of the Agreement, Cloudbreak has agreed to, among other things: (i) accept payment from the Company and G2 TX1 in the sums set forth below; (ii) reinstate the Loan Documents to the same extent as if no default had occurred; (iii) withdrawal the foreclosure proceedings; and (ii) renegotiate (with the assistance of a mediator) certain terms of the Loan Documents relating to working capital requirements and governing jurisdiction.

Furthermore, pursuant to the terms of the Agreement, the Company and G2 TX1 shall, subject to receipt of any required regulatory approvals, pay to Cloudbreak: (a) the sum of USD\$61,332.10 cash representing the past due Fourth Quarter End 2022 payment on the Debenture of USD\$60,000.00 plus non-default interest in the amount of USD\$1,332.10 cash through February 22, 2023; (b) part of Cloudbreak's attorneys' fees in the amount of USD\$20,000.00 cash; (c) the remaining part of Cloudbreak's attorney's fees in the amount of USD\$13,311.74 by way of transferring or issuing to Cloudbreak 907,000 common shares in the capital of the Company ("**Common Shares**"); (d) the First Quarter End 2012 payment on the Debenture of USD\$60,000.00 plus a USD\$15,000 bonus by way of transferring or issuing to Cloudbreak 5,110,000 Common Shares; (e) 4,769,000 Common Shares transferred or issued to Cloudbreak in escrow by May 31, 2023; and (f) the Second Quarter 2023 payment on the Debenture of \$60,000.00 plus a USD\$15,000 by way of transferring or issuing 5,110,000 Common Shares.

Additionally, the Company and G2 TX1 have agreed to release, remise, acquit and forever discharge Cloudbreak and Cloudbreak's employees, agents, representatives, consultants, attorneys, fiduciaries, servants, officers, directors, partners, predecessors, heirs, successors and assigns, subsidiary corporations, parent corporations, and elated corporate divisions from all Released Matters (as defined in the Agreement).

Slawek Smulewicz commented: "*The Company and G2 TX1 are pleased to have resolved these disagreements, and look forward to further building a mutually-beneficial business relationship with Cloudbreak.*"

### **Mortgaged Property Sales Agreement Compliance**

The Company and G2 TX1 further announce that it has cured all claimed defaults under its agreements with the sellers of the Mortgaged Property, and look forward to further building a mutually-beneficial business relationship with such parties.

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**

April 4, 2023.



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## G2 ENTERS INTO REINSTATEMENT, RENEWAL AND RELEASE AGREEMENT WITH CLOUDBREAK

**Vancouver, British Columbia – April 3, 2023. G2 Energy Corp. (CSE:GTOO, FWB:UD9) (the "Company" or "G2")** announces today that, further to the news releases dated January 20, 2023 and March 15, 2023 regarding an alleged default of the Debenture (defined below), the Company, as Guarantor, has entered into a reinstatement, renewal and release agreement (the "**Agreement**"), dated as of March 29, 2023 with its subsidiary G2 Energy TX1, Inc. ("**G2 TX1**"), as Mortgagor, and Cloudbreak Discover PLC ("**Cloudbreak**"), as Mortgagee, pursuant to which, among other things, the Loan Documents (defined below) will be reinstated to the extent as if no default had occurred.

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Cloudbreak alleged that there were a number of defaults by the Company and G2 TX1 in respect of the Debenture and G2 and G2 TX1 disputed certain of these claims. Despite G2's efforts to negotiate a solution in January and February 2023, on February 17, 2023, Cloudbreak accelerated the maturity of the Debenture and demanded payment in full of all amounts owed thereunder, and also caused the substitute trustee of the Deed of Trust to post the Mortgaged Property for foreclosure sale, which led to unnecessary and time-consuming legal posturing. The parties have now resolved their differences and entered into the Agreement.

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Additionally, the Company and G2 TX1 have agreed to release, remise, acquit and forever discharge Cloudbreak and Cloudbreak's employees, agents, representatives, consultants, attorneys, fiduciaries, servants, officers, directors, partners, predecessors, heirs, successors and assigns, subsidiary corporations, parent corporations, and related corporate divisions from all Released Matters (as defined in the Agreement).

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On Behalf of the Board,

**"Slawek Smulewicz"**

Slawek Smulewicz  
CEO

For further information, please contact

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### **About G2 Energy Corp.**

G2 is a junior oil and gas producer listed on the CSE exchange. Its 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.



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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 under the Agreement. 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.*