

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 1, 2024

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 3, 2024. A copy of the news release was filed on SEDAR+.

Item 4 Summary of Material Change

The Company and its wholly-owned subsidiary G2 Energy TX1 Inc. (“**G2 TX1**”) announced entry into an amending agreement for secured convertible debenture with Cloudbreak Discovery PLC (“**Cloudbreak**”) dated March 1, 2024 (the “**Amending Agreement**”), whereby the parties agreed to amend the terms of the secured convertible debenture among the Company, G2 TX1 and Cloudbreak dated May 31, 2022 (the “**Debenture**”). Additionally, the Company and G2 TX1 have entered into a loan agreement with Clarmond Wealth Limited (“**Clarmond**”) dated February 29, 2024 (the “**Loan Agreement**”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Under the Debenture, Cloudbreak advanced G2 Energy TX1 USD\$2,000,000 (the “**Principal Amount**”), and Cloudbreak had the option to convert only the accrued and unpaid interest on the Debenture, but not the Principal Amount. For more information on the Debenture, please see the Company’s news release dated June 1, 2022.

Pursuant to the Amending Agreement, the parties have agreed to amend the Debenture as follows:

1. The maturity date of the Debenture will be extended from May 31, 2024, to May 31, 2025, and Cloudbreak in its sole discretion will have the option to further extend the maturity date by one calendar year to May 31, 2026.
2. The Principal Amount, together with all accrued and unpaid interest and all other monies owing under the Debenture, shall be convertible, at the sole discretion of Cloudbreak, into units of the Company (each, a “**Unit**”) at a price per Unit which shall be the minimum price permitted by the Canadian Securities Exchange (the “**CSE**”), with each Unit entitling the holder thereof to one common share in the capital of the Company (each, a “**Common Share**”), and one share purchase warrant of the Company (each, a “**Warrant**”), with each Warrant entitling the holder thereof to acquire one Common Share (each, a “**Warrant Share**”) at a price of CAD\$0.07 per Warrant Share or the minimum price permitted by the CSE if the CAD\$0.07 is not permitted, until 5:00 p.m. (Vancouver time) on the date of expiration of the Warrant, which is two years following the date of the issuance of the Warrant.

3. The Debenture shall not be convertible by Cloudbreak and the Company shall not give effect to any such purported conversion, to the extent (but only to the extent) that: (i) Cloudbreak, together with any Person acting jointly or in concert with Cloudbreak, as determined in accordance with National Instrument 62-104 – *Take Over Bids and Issuer Bids*, would in the aggregate beneficially own, or exercise control or direction over, in excess of 19.99% of the total issued and outstanding Common Shares, immediately after giving effect to such conversion (the “**Maximum Percentage Limitation**”). No prior inability to convert the Debenture pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with National Instrument 55-104 - *Insider Reporting Requirements and Exemptions*.
4. In the event there is an event of default and 61 days have lapsed since a notice of such event, the Debenture shall be deemed fully convertible by Cloudbreak without any restrictions imposed by the Maximum Percentage Limitation and the Company shall give effect to any such conversion requested by Cloudbreak.

Cloudbreak presently holds a registered 3.25% Gross Overriding Royalty, net of the occupation tax for oil produced in Texas (the “**SEV Taxes**”), on all minerals including oil and gas produced and sold from the Masten Property located in the Permian Basin in Levelland, Texas (the “**Property**”). Pursuant to the Amending Agreement, G2 TX1 shall also pay to Cloudbreak an additional amount in cash equal to 0.75% of 8/8 overriding royalty, less the SEV Taxes, on all minerals including oil and gas produced and sold from the Property.

In connection with, and as partial consideration for the amendments, the parties have agreed that:

- Cloudbreak will convert USD\$60,000 of interest under the Debenture into 2,000,000 Units at a price of CAD\$0.03 per Unit, with each Unit entitling the holder thereof to one Common Share and one Warrant, with each Warrant entitling the holder to acquire one Warrant Share at a price of CAD\$0.05 per Warrant Share for up to two years from the date of conversion;
- the Company will pay USD\$10,000 of the interest outstanding on the Debenture immediately upon receipt of any funds from any debt or equity financing, to satisfy a portion of the outstanding accrued and unpaid interest outstanding on the Debenture; and
- the Company will reconstitute its board of directors from six to five members, and appoint two nominees of Cloudbreak as directors of the Company.

Loan Agreement with Clarmond

The Company and G2 TX1 entered into the Loan Agreement with Clarmond, whereby Clarmond has agreed to advance a loan (the “**Loan**”) in the principal amount of USD\$250,000.00 (the “**Loan Principal Amount**”) to G2 TX1 on the terms and conditions set out in the Loan Agreement. The Company will act as the guarantor of the Loan. The funds will be used for enhancing and increasing oil and gas production on the Property as well as for general working capital.

The Loan has an 18-month term with an option for an additional six month extension at the discretion of Clarmond from the date the funds are advanced (the “**Advance Date**”), and bears interest at a rate of 10% per annum which interest shall be payable in cash (prepaid every three months in advance); and 12% paid in units (the “**Loan Units**”) at a price of CAD\$0.05 per Loan

Unit for a total of 1,215,000 Loan Units (prepaid in full), with each Loan Unit entitling the holder thereof to one Common Share and one Warrant, with each Warrant entitling the holder to acquire one Warrant Share at a price of CAD\$0.07 per Warrant Share until 5:00 p.m. (Vancouver time) on the date of expiration of the Warrant, which is two years following the date of the issuance of the Warrant.

As consideration for the Loan, G2 TX1, and the Company as guarantor, has agreed to pay Clarmond a fee of USD\$12,500.00, USD\$6,250.00 of which will become due and payable on the Advance Date, and \$6,250 of which shall become due and payable on first business day of the sixth month from the Advance Date.

Commencing on the fourth month from the Advance Date, on the third Business Day of each calendar month, G2 TX1, will pay Clarmond the cash equivalent of a 13% working interest on the Property for the previous month, which amount will be applied to reduce the Loan Principal Amount then outstanding.

As a bonus payment, the Company will pay Clarmond an amount in cash calculated to equal of 1% of 8/8 overriding royalty, less the SEV Taxes, on all minerals including oil and gas produced and sold from the Property.

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 14, 2024.



G2 Energy Enters into an Amending Agreement for Secured Convertible Debenture with Cloudbreak Discovery and Secures Additional Funding

Vancouver, British Columbia – March 4, 2024 – G2 Energy Corp. (CSE:GTOO, FWB:UD9) (the "Company" or "G2") and its wholly-owned subsidiary G2 Energy TX1 Inc. ("G2 TX1") are pleased to announce entry into an amending agreement for secured convertible debenture with Cloudbreak Discovery PLC ("Cloudbreak") dated March 1, 2024 (the "Amending Agreement"), whereby the parties agreed to amend the terms of the secured convertible debenture among the Company, G2 TX1 and Cloudbreak dated May 31, 2022 (the "Debenture"). Additionally, the Company and G2 TX1 have entered into a loan agreement with Clarmond Wealth Limited ("Clarmond") dated February 29, 2024 (the "Loan Agreement").

Debenture and Amending Agreement

Under the Debenture, Cloudbreak advanced G2 Energy TX1 USD\$2,000,000 (the "Principal Amount"), and Cloudbreak had the option to convert only the accrued and unpaid interest on the Debenture, but not the Principal Amount. For more information on the Debenture, please see the Company's news release dated June 1, 2022.

Pursuant to the Amending Agreement, the parties have agreed to amend the Debenture as follows:

1. The maturity date of the Debenture will be extended from May 31, 2024, to May 31, 2025, and Cloudbreak in its sole discretion will have the option to further extend the maturity date by one calendar year to May 31, 2026.
2. The Principal Amount, together with all accrued and unpaid interest and all other monies owing under the Debenture, shall be convertible, at the sole discretion of Cloudbreak, into units of the Company (each, a "Unit") at a price per Unit which shall be the minimum price permitted by the Canadian Securities Exchange (the "CSE"), with each Unit entitling the holder thereof to one common share in the capital of the Company (each, a "Common Share"), and one share purchase warrant of the Company (each, a "Warrant"), with each Warrant entitling the holder thereof to acquire one Common Share (each, a "Warrant Share") at a price of CAD\$0.07 per Warrant Share or the minimum price permitted by the CSE if the CAD\$0.07 is not permitted, until 5:00 p.m. (Vancouver time) on the date of expiration of the Warrant, which is two years following the date of the issuance of the Warrant.
3. The Debenture shall not be convertible by Cloudbreak and the Company shall not give effect to any such purported conversion, to the extent (but only to the extent) that: (i) Cloudbreak, together with any Person acting jointly or in concert with Cloudbreak, as determined in accordance with National Instrument 62-104 – *Take Over Bids and Issuer Bids*, would in the aggregate beneficially own, or exercise control or direction over, in excess of 19.99% of the total issued and outstanding Common Shares, immediately after giving effect to such conversion (the "Maximum Percentage Limitation"). No prior inability to convert the Debenture pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of

G2 Energy Corp.

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convertibility. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with National Instrument 55-104 - *Insider Reporting Requirements and Exemptions*.

4. In the event there is an event of default and 61 days have lapsed since a notice of such event, the Debenture shall be deemed fully convertible by Cloudbreak without any restrictions imposed by the Maximum Percentage Limitation and the Company shall give effect to any such conversion requested by Cloudbreak.

Cloudbreak presently holds a registered 3.25% Gross Overriding Royalty, net of the occupation tax for oil produced in Texas (the “**SEV Taxes**”), on all minerals including oil and gas produced and sold from the Masten Property located in the Permian Basin in Levelland, Texas (the “**Property**”). Pursuant to the Amending Agreement, G2 TX1 shall also pay to Cloudbreak an additional amount in cash equal to 0.75% of 8/8 overriding royalty, less the SEV Taxes, on all minerals including oil and gas produced and sold from the Property.

In connection with, and as partial consideration for the amendments, the parties have agreed that:

- Cloudbreak will convert USD\$60,000 of interest under the Debenture into 2,000,000 Units at a price of CAD\$0.03 per Unit, with each Unit entitling the holder thereof to one Common Share and one Warrant, with each Warrant entitling the holder to acquire one Warrant Share at a price of CAD\$0.05 per Warrant Share for up to two years from the date of conversion;
- the Company will pay USD\$10,000 of the interest outstanding on the Debenture immediately upon receipt of any funds from any debt or equity financing, to satisfy a portion of the outstanding accrued and unpaid interest outstanding on the Debenture; and
- the Company will reconstitute its board of directors from six to five members, and appoint two nominees of Cloudbreak as directors of the Company.

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(Vancouver time) on the date of expiration of the Warrant, which is two years following the date of the issuance of the Warrant.

As consideration for the Loan, G2 TX1, and the Company as guarantor, has agreed to pay Clarmond a fee of USD\$12,500.00, USD\$6,250.00 of which will become due and payable on the Advance Date, and \$6,250 of which shall become due and payable on first business day of the sixth month from the Advance Date.

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As a bonus payment, the Company will pay Clarmond an amount in cash calculated to equal of 1% of 8/8 overriding royalty, less the SEV Taxes, on all minerals including oil and gas produced and sold from the Property.

Slawek Smulewicz commented: *“The combination of the loan and the restructuring of the convertible debenture with Cloudbreak, will provide the Company with increased financial flexibility and allows G2 to focus on increasing its production on the Masten Unit while at the same time building a solid and consistent production profile. G2 continues to build on these relationships in order to further advance its business opportunities with partners. Amid evolving market conditions, the Company is in a better position to continue working on its corporate objectives for fiscal year 2024 and into 2025.”*

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. 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.sedarplus.ca. 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 or Clarmond. 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.