

# B-32 Exploration Investment Brief

Thank you for your interest in B-32 Exploration’s exciting story. This introduction is intended to give potential investors a summary of the opportunity. Further information including a full technical presentation can be found on our website, [www.b32exploration.ca](http://www.b32exploration.ca). We will be hosting investment information meetings in the upcoming weeks, and we are also available by email or phone at any time. We are seeking qualified investors that recognize that investments in early-stage energy companies can produce outsized returns, but it is important to acknowledge the risks that come with such investments.

## Company Overview

B-32 owns 225 sections of Duvernay mineral rights (geologic formation located 2,800 m below the surface), with the potential to drill over 400 wells. This allows for a project capable of growing to 25,000 barrels of oil equivalent per day (boe/d), sustained for 15 years. Each development well is forecasted to generate \$10.9 million of cash-flow in the initial year, which exceeds the capital cost of the well (sub 1-year payout). A well is projected to generate \$42.2 million of cash flow over its 40-year lifetime and discounting the lifetime cash flow at 10% yields a present value of \$27.9 million (\$19 million net of capital cost) before tax<sup>1,2</sup>.

Led by Larry Evans and Mitch Putnam, our management team demonstrates a track record of success. They've founded, grown, and sold four private oil and gas companies, achieving an average IRR of 194% and average return on investment of 6.6x. Following this achievement, they managed energy funds, investing \$282 million from institutional investors while outperforming industry benchmarks in aggregate.

## Investment Highlights

**Capital Raise:** \$12 million split into \$9 million common equity at \$4.30/share, with each share coming with a 1-year warrant at \$5.10/share, and \$3 million in secured convertible debentures with a 12% interest rate and \$5.30/share conversion price (See Table 1: Capital Raise Comparison).

**Raise Timeline:** Targeted close of the Fall 2024 or sooner once \$12MM has been raised.

**Management Ownership:** Current insider ownership of 54%, management will invest a minimum of \$5 million into this raise.

**Next Steps:** We have started a “book” of potential investors, please provide an indication of interest to secure an allocation.

**Potential Return:** Forecasting potential share value involves various risk factors<sup>2</sup>. Assuming B-32 executes its development plan, applying the valuation approach detailed further on page 7 results in a forecasted \$20/share valuation (4.7x ROI) by 2029, growing yearly thereafter (Table 2: Potential Returns) including only phase 1 development (see page 6 for more detail on development phases).

Capital Raise Comparison	Current Raise	Last Raise
Capital in Common Shares	\$9 million	\$19 million
Common share price	\$4.30/share	\$3.75/share
Warrants per common share	1.0	1.0
Warrant Term	1 Year	1 Year
Warrant Exercise Price	\$5.10/share	\$4.25/share
Capital in Convertible Debentures	\$3 million	\$1.8 million
Interest Rate	12.0%	12.5%
Primary Term	2 Years	2 Years
Extensions	2	1
Extension Length	1 Year	1 Year
Conversion Price	\$5.30	\$4.70

Table 1: Capital Raise Comparison: Current / Last



Figure 1: Potential Returns

<sup>1</sup> Oil price US\$75WTI, FX 1.35 Cdn:US, \$4.00 USD CLS Differential

<sup>2</sup> See “General Disclaimer”, “Presentation of Oil and Gas Information”, “Non-GAAP Measures”, and “Forward-Looking Information and Statements” on pages 11,12,13

Note: All figures in Canadian \$ unless otherwise indicated