CONFIDENTIAL

Magnus™ Tokenized Energy Opportunity Foundation

Confidential Offering Memorandum\ Issuer: *Francis 1215 LLC d/b/a Magnus Capital*\ **Date: September** *2025*

PRIVATE PLACEMENT MEMORANDUM MAGNUS CAPITAL OPPORTUNITY FOUNDATION SEPTEMBER 6st , 2025

This Private Placement Memorandum is Magnus Capitals' offering and has been updated to reflect the structure and branding of Magnus Capital Opportunity Foundation. All information from the original memorandum is retained, with updated entity names, website links, and additional disclosures about the Magnus tokenization strategy.

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1. Executive Summary

Francis 1215 LLC, doing business as Magnus Capital (the "Company"), is launching the **Magnus Tokenized Energy Opportunity Foundation**, a project to finance and develop an oil & gas asset through a hybrid tokenized investment structure. The offering outlined in this Memorandum combines **equity token issuance** and **debt securities (bonds)** to raise capital for the project. The equity component is delivered via digital tokens representing ownership in a Cayman Islands foundation that holds the underlying energy asset, while the debt component offers fixed-income bonds to investors. The purpose of this raise is to **secure funding for the oil project's development** and associated initiatives, using blockchain technology to enhance transparency, investor access, and liquidity in a traditionally illiquid sector.

This offering allows investors to participate in the energy project's upside through tokenized equity (with an interest in project cash flows and potential appreciation) and through high-yield bonds providing fixed returns. By tokenizing the equity in a Cayman Special Purpose Vehicle (the **Magnus Tokenized Energy Opportunity Foundation**), the Company enables fractional ownership and future tradability of the project stake. The **debt issuance** (described below) will further support the project's capital needs and offer investors structured returns over 2–5-year terms. Overall, Magnus Capital's goal is to **bridge traditional energy investments with innovative blockchain-based financing**, while adhering to regulatory compliance and providing stable coin-supported liquidity mechanisms for ease of transaction. The following sections detail the terms of the token issuance, bond offering, use of proceeds, and other key elements of this investment opportunity. The Magnus Tokenized Energy Opportunity seeks to unlock institutional capital for high-yield, asset-backed investment through blockchain-enabled infrastructure. By combining structured private credit instruments, real-world asset exposure, and programmable DeFi vaults, the offering delivers access to a diversified yield ecosystem with real collateral.

Francis 1215 LLC d/b/a Magnus Capital is issuing sophisticated digital securities offering anchored in tokenized real-world assets (RWAs), including a private credit strategy backed by oil production revenues and structured financial guarantees. The core of the offering involves smart contract-enabled vaults, tiered bond tranches, and overcollateralized reserves managed through a Cayman-based foundation. This initiative integrates:

- Institutional-grade yield via tokenized private credit (e.g. SBLC-backed bonds)
- Stablecoin minting with smart contract vault mechanics (via Gauntlet, Veda Labs–style SDK)
- Daily yielding oil production receipts (1,300 barrels/day \$75/barrel)
- 15% allocation to Magnus Capital Master Fund's fund-of-funds strategy
- 15% for vault development & protocol operations
- Compliance stack across Cayman, UAE, US, and EU jurisdictions

\ Offering backed by structured private credit instruments, oil revenues, and tokenized vault assets & Corporate Insurance Notes for resale.

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2. Token Issuance and Lock-Up Terms

The tokenized equity offering is structured as follows:

- **Total Token Supply:** 110,000,000 tokens, representing the entire equity interest in the Magnus Tokenized Energy Opportunity Foundation (a Cayman Islands SPV holding the oil project).
- **Locked Tokens:** 97,500,000 tokens (88.85% of the supply) are reserved and locked, subject to staggered vesting releases after 3months, 6months, and 9months, AND 1 YEAR. This lock-up schedule for insiders/ founders is designed to prevent market oversupply and align long-term incentives, future raises for expansion and stablecoin creation to beg to tokens eco system. This number can increase as needed to align with company goals.
- **Tokens for Capital Raise:** 12,500,000 tokens are allocated for current capital raises. The **current issuance** consists of 12,500,000 tokens, which corresponds to approximately a 25% equity stake in the Foundation. These tokens are being offered to investors in this round. (The remaining authorized tokens in the raise allocation may be offered in subsequent funding rounds as needed.) All tokens are recorded on a blockchain ledger, providing transparency into ownership. Investors in the tokens will effectively become beneficial owners of the corresponding share of the Foundation's equity (and thus indirectly of the oil asset). The locked tokens held by founders/insiders will **gradually unlock 3 months 6 Months 9 months 1 year**, as needed and ensuring that a sudden flood of supply is avoided and demonstrating commitment by the sponsors to the project's long-term success. Details of the token holder rights, governance of the Foundation, and distribution of any project profits will be provided in the Foundation's statutes and the token purchase agreement. The tokens are used for future raises as needed and defined by project terms similar to this one. (Example is 6 projects at 50 million)

Lock-Up Structure:

Lock-Up Period	Senior Tranche (Annual)	Junior Tranche (Annual)
1 Year	12%	16%
2 Year	16%	22%

3.Capital Raise Terms

The capital raise is structured in **tranches with defined lock-up periods and yields**, rewarding investors with higher returns for longer commitments or for taking junior positions. Key terms of the \$12,500,000 raise are:

- **Offering Amount:** \$12,500,000 (current round), to be raised through the sale of 12,500,000 tokens as noted above.
- **Tranche Structure:** Two classes of investment are offered – **Senior Tranche** and **Junior Tranche** – each with 1-year and 2-year lock-up options:
- **Senior Tranche:** Offers a *12% annual return* for a 1-year lock-up period, or a *16% annual return* for an extended 2-year lock-up. Senior tranche investors have priority on claims and distributions from the Foundation's proceeds.

- **Junior Tranche:** Offers a higher *16% annual return* for a 1-year lock-up, or *22% annual return* for a 2year lock-up. Junior tranche investors are subordinated to the senior tranche (i.e., they have lower priority in claims), reflecting the higher risk with correspondingly higher returns.
- **Minimum and Maximum Investment:** The minimum subscription amount is **\$100,000** per investor. The maximum subscription per investor is **\$3,000,000**, ensuring diversification of the investor base and compliance with any applicable concentration limits or regulatory considerations.

Investors will execute a Subscription Agreement locking in their funds for the chosen period (12 or 24 months) in exchange for tokens that carry the rights to these fixed returns. The returns are structured as **fixed coupon-like distributions**, not dependent on the project's immediate profitability – effectively similar to a dividend or interest payment. These distributions may be paid in a stablecoin or fiat (as detailed in the Offering documents) and are backed by the project's revenue streams and the reserve funds (described under "Use of Proceeds"). By structuring two tranches, the Company provides options for different risk appetites: more conservative investors can take the senior tranche at a solid fixed return, while yield seeking investors can opt for the junior tranche's higher returns with higher risk. The lock-up ensures that investors are committed alongside the project's critical early period. Early withdrawal or redemption is not permitted (except under any special circumstances outlined in the offering agreements), aligning with the project's capital needs and long-term horizon.

The **Magnus Capital Tokenized Energy Opportunity Foundation** leverages tokenized finance and realworld assets to enhance the structure of this offering. The offering comprises both digital equity tokens and high-yield bonds backed by real assets and structured credit instruments. The equity tokens represent an interest in a Cayman Islands foundation holding the underlying energy project. Investors in these tokens benefit from fractional ownership and potential appreciation, while the bond instruments offer fixed returns over defined terms. The Foundation employs overcollateralized stablecoin mechanisms, programmable vaults, and a fund-of-funds strategy to generate yield and manage risk.

4.Bond Pricing and Structure

- per year. Interest may be paid quarterly or semi-annually (specific payment schedule to be finalized in the bond terms), and principal is repaid at maturity. The bonds are expected to be **secured, unsubordinated obligations** of the Company (i.e., not secured by specific collateral but backed by the Company's full faith and resources).
- **Minimum Investment Requirements:** The bonds are primarily targeted at institutional and accredited investors, with a high minimum investment. The **minimum purchase** is **\$500,000**, corresponding to 500 bonds. Additionally, an **institutional tranche** with a minimum of **\$1,000,000** (1,000 bonds) is offered for larger investors. This tiered minimum structure is in line with similar bond offerings (e.g., Oil Energy's program) and ensures that bondholders are sophisticated investors. The Company may, at its discretion, accept smaller subscriptions in special cases, but the general minimums are as stated.

The bond issuance provides a more **debt-like investment option** alongside the equity tokens. Investors who prefer a fixed return and defined term can participate in the bonds, whereas those looking for equity upside (with correspondingly higher risk) can participate in the token offering – or investors may choose a combination of both. The bonds will rank senior to the equity tokens in the capital structure (debt claims are serviced before equity distributions). All bondholders will be party to an indenture or note purchase agreement outlining their rights. The \$300 million program allows the Company to scale up its debt financing as the project grows, but each tranche (such as the current \$50M) will be issued with its own terms and closing. By structuring the bonds in \$1,000 units, the offering remains accessible to multiple investors while keeping the minimum investment high enough to restrict it to qualified parties. This structure is modeled after Oil Energy's multi-series bond program, which demonstrates the ability to raise large aggregate amounts by offering series of bonds with varying terms and yields.

Bond Offering Details as follows

- Offering Size: **\$50,000,000**
- Total Offering Program: **\$300,000,000**
- Bond Structure:
- Denomination: **\$1,000 per bond**
- Options:
  - **2-Year Term** – 11.5% Annual Return
  - **3-Year Term** – 13.5% Annual Return
  - **5-Year Term** – 15.0% Annual Return
- Minimum Investment: **\$500,000**
- Maximum Investment: **\$10,000,000** per investor (Higher on Allocation per basis)

Item	Amount
Purchase Price per Bond	$1,000
Broker-Dealer Fee (per Bond)	$50.00
Net Proceeds to Company (per Bond)	$950.00
Total Bonds Offered	$300,000,000
Total Broker-Dealer Fee	$15,000,000
Net Proceeds to Company	$285,000,000

Any Broker-Dealer Fee will not be paid by the Company, but will be paid by our Sponsor. If the Maximum Offering Amount of Bonds is sold, the maximum Broker-Dealer Fee paid by our Sponsor will be $15,000,000. The Broker-Dealer Fee may be less than 5.0% of the gross proceeds if the Company allows. All Bonds are subject to a Broker-Dealer Fee up to 5.0% of the gross proceeds of the Bonds made in connection with the sale of each Bond. The Broker-Dealer Fee will be paid to the Managing Broker-Dealer as our broker/dealer of record. Certain of our Sponsor's employees, are registered as associated persons of the Managing BrokerDealer and will be paid part of any Broker-Dealer Fee resulting from Bonds sold with their assistance. See "Use of Proceeds" and "Plan of Distribution" for more information.
Our Sponsor will be responsible for paying the Broker-Dealer Fee and offering expenses. The Broker-Dealer Fee includes compensation for acting as the Managing Broker-Dealer and for expenses incurred in connection with marketing the Bonds.

THE BONDS OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THIS MEMORANDUM DOES

NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE BONDS IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. THIS OFFERING DOES NOT CONSTITUTE AN OFFER OF BONDS TO THE PUBLIC AND NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT A PUBLIC OFFERING IN ANY STATE OR JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. NEITHER THIS MEMORANDUM NOR THE BONDS OFFERED HEREBY HAVE BEEN APPROVED BY ANY REGULATORY OR SUPERVISORY AUTHORITY IN THE UNITED STATES OR IN ANY STATE OR OTHER JURISDICTION, INCLUDING BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS ANY SUCH AUTHORITY OR COMMISSION PASSED ON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE BONDS WILL BE OFFERED AND SOLD IN THE UNITED STATES UNDER THE EXEMPTION FROM REGISTRATION PROVIDED BY SECTION 4(A)(2) OF THE SECURITIES ACT AND RULE 506(c) OF REGULATION D PROMULGATED THEREUNDER, OR BOTH, AND OTHER EXEMPTIONS OF SIMILAR IMPORT IN THE LAWS OF THE STATES AND JURISDICTIONS WHERE THE OFFERING WILL BE MADE. AS SUCH, EACH PURCHASER OF THE BONDS OFFERED HEREBY IN THE UNITED STATES MUST BE AN "ACCREDITED INVESTOR" WITHIN THE MEANING REGULATION D PROMULGATED UNDER THE SECURITIES ACT. THIS OFFERING IS INTENDED FOR INVESTORS PURCHASING THE BONDS IN THE ORDINARY COURSE FOR THEIR OWN ACCOUNT FOR INVESTMENT AND NOT WITH A VIEW TO, OR ANY ARRANGEMENTS OR UNDERSTANDINGS REGARDING, ANY SUBSEQUENT DISTRIBUTION. SUBSCRIPTIONS FOR THE BONDS OFFERED WILL ONLY BE ACCEPTED FROM THOSE INVESTORS WHO REPRESENT AND WARRANT THAT SUCH INVESTOR IS (I) INVESTING IN THE COMPANY SOLELY FOR HIS OR HER OWN ACCOUNT FOR INVESTMENT PURPOSES ONLY, AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION; (II) IS AN "ACCREDITED INVESTOR" AS THAT TERM IS DEFINED BY RULE 501(a) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT; (III) IS FAMILIAR WITH THIS TYPE OF INVESTING AND IS CAPABLE OF EVALUATING THE RISKS AND MERITS OF AN INVESTMENT IN THE COMPANY; (IV) HAS HAD ACCESS TO SUFFICIENT INFORMATION TO MAKE AN INVESTMENT DECISION ABOUT THE COMPANY; (V) UNDERSTANDS THAT THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED UNLESS REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE; AND (VI) IS ABLE TO ACCEPT THE LACK OF LIQUIDITY OF THE BONDS AND TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE SHARES FOR AN INDEFINITE PERIOD OF TIME. SEE "WHO MAY INVEST." THE BONDS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND MAY NOT BE TRANSFERRED EXCEPT AS PERMITTED BY THE SECURITIES ACT AND APPLICABLE STATE OR OTHER JURISDICTIONS SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THERE IS NO PUBLIC MARKET FOR THESE SECURITIES AND THERE IS NO ASSURANCE THAT A PUBLIC MARKET FOR THESE SECURITIES WILL DEVELOP IN THE FORESEEABLE FUTURE OR AT ALL. ACCORDINGLY, INVESTORS MAY FIND IT DIFFICULT OR IMPOSSIBLE TO DISPOSE OF ANY OF THESE

SECURITIES AND MUST BE PREPARED TO RETAIN THEM FOR AN INDEFINITE PERIOD OF TIME. THE OFFERING IS SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. THE COMPANY RESERVES THE RIGHT TO REJECT ANY SUBSCRIPTION FOR BONDS IN WHOLE OR IN PART OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE NUMBER OF SHARES SUCH INVESTOR DESIRES TO PURCHASE.

THE BONDS OFFERED HEREBY ARE SPECULATIVE AND INVESTMENT IN THE BONDS INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" TO READ ABOUT IMPORTANT FACTORS THAT EACH PROSPECTIVE INVESTOR SHOULD CONSIDER BEFORE INVESTING IN THE BONDS. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION TO THE RECIPIENT HEREOF REGARDING THE OFFERING OTHER THAN THE INFORMATION PROVIDED BY THE COMPANY HEREIN, OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFERING, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS MEMORANDUM HAS BEEN PREPARED BY THE COMPANY. THERE HAS BEEN NO INDEPENDENT THIRD-PARTY VERIFICATION OF ANY INFORMATION CONTAINED HEREIN AND THERE IS NO REPRESENTATION OR WARRANTY AS TO ITS ACCURACY OR COMPLETENESS. FURTHER, THE COMPANY DISCLAIMS ANY AND ALL LIABILITIES FOR REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, CONTAINED IN OR OMISSIONS FROM, THIS MEMORANDUM OR ANY OTHER WRITTEN OR ORAL COMMUNICATIONS OR TRANSMISSIONS MADE AVAILABLE TO RECIPIENT. EACH INVESTOR WILL BE ENTITLED TO RELY SOLELY ON THOSE REPRESENTATIONS AND WARRANTIES THAT MAY BE MADE TO THE INVESTOR BY THE COMPANY IN ANY PURCHASE AGREEMENT OR SUBSCRIPTION DOCUMENTATION RELATING TO THE INVESTOR'S PURCHASE OF THE SECURITIES. THIS MEMORANDUM INCLUDES CERTAIN STATEMENTS AND PROJECTIONS PROVIDED BY THE COMPANY WITH RESPECT TO THE ANTICIPATED FUTURE PERFORMANCE OF THE COMPANY. SUCH STATEMENTS AND PROJECTIONS REFLECT VARIOUS ASSUMPTIONS MADE BY THE COMPANY CONCERNING ANTICIPATED RESULTS. THESE ASSUMPTIONS ARE SUBJECT TO SIGNIFICANT UNCERTAINTIES AND MAY OR MAY NOT PROVE TO BE ACCURATE. ACCORDINGLY, THE COMPANY MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE STATEMENTS REGARDING THE COMPANY'S FUTURE PERFORMANCE OR THE ASSUMPTIONS UNDERLYING THEM. THE ACHIEVEMENT OF THE FORECASTS CONTAINED HEREIN DEPENDS UPON NUMEROUS FACTORS, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL. THEREFORE, THERE CAN BE NO ASSURANCE THAT THE COMPANY'S FUTURE PERFORMANCE WILL BE CONSISTENT WITH THE FORECASTS SET FORTH IN THIS MEMORANDUM. THIS MEMORANDUM HAS BEEN PREPARED FOR THE PURPOSE OF INTRODUCING PROSPECTIVE INVESTORS TO THE COMPANY IN ORDER TO ENABLE THEM TO DETERMINE IF THEY HAVE SUFFICIENT INTEREST IN THE COMPANY, ITS BUSINESS, AND PROSPECTS TO JUSTIFY FURTHER ACTION ON THEIR PART. IT IS EXPECTED THAT ANY INVESTOR PURCHASING BONDS IN THE OFFERING WILL PURSUE ITS OWN INDEPENDENT INVESTIGATION AND ANALYSIS OF THE COMPANY AND ITS PROSPECTS. THE DELIVERY OF THIS MEMORANDUM WILL NOT

UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE, OR THAT INFORMATION CONTAINED IN THIS MEMORANDUM IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM. THE SEC GENERALLY PERMITS OIL AND GAS COMPANIES, IN FILINGS MADE WITH THE SEC, TO DISCLOSE PROVED RESERVES, WHICH ARE RESERVE ESTIMATES THAT GEOLOGICAL AND ENGINEERING DATA DEMONSTRATE WITH REASONABLE CERTAINTY TO BE RECOVERABLE IN FUTURE YEARS FROM KNOWN RESERVOIRS UNDER EXISTING ECONOMIC AND OPERATING CONDITIONS, AND CERTAIN PROBABLE AND POSSIBLE RESERVES THAT MEET THE SEC'S DEFINITIONS FOR SUCH TERMS. THE COMPANY DISCLOSES ESTIMATED PROVED RESERVES AND ESTIMATED PROBABLE RESERVES IN ITS FILINGS WITH THE SEC. THE COMPANY'S ESTIMATED RESERVES ARE PREPARED BY THE COMPANY'S INTERNAL RESERVOIR ENGINEER AND COMPLY WITH DEFINITIONS PROMULGATED BY THE SEC. THESE ESTIMATED RESERVES ARE NOT AUDITED BY AN INDEPENDENT PETROLEUM ENGINEERING FIRM. ADDITIONAL INFORMATION ON THE COMPANY'S ESTIMATED RESERVES IS CONTAINED IN THE COMPANY'S FILINGS WITH THE SEC. ACTUAL QUANTITIES THAT MAY BE ULTIMATELY RECOVERED WILL DIFFER SUBSTANTIALLY. FACTORS AFFECTING ULTIMATE RECOVERY INCLUDE THE SCOPE OF DRILLING PROGRAMS, WHICH vi

WILL BE DIRECTLY AFFECTED BY THE AVAILABILITY OF CAPITAL, DRILLING AND PRODUCTION COSTS, AVAILABILITY OF DRILLING SERVICES AND EQUIPMENT, DRILLING RESULTS, LEASE EXPIRATIONS, TRANSPORTATION CONSTRAINTS, REGULATORY APPROVALS AND OTHER FACTORS AND ACTUAL DRILLING RESULTS, INCLUDING GEOLOGICAL AND MECHANICAL FACTORS AFFECTING RECOVERY RATES. ESTIMATES MAY CHANGE SIGNIFICANTLY AS DEVELOPMENT OF PROPERTIES PROVIDE ADDITIONAL DATA. IN ADDITION, THE COMPANY'S PRODUCTION FORECASTS AND EXPECTATIONS FOR FUTURE PERIODS ARE DEPENDENT UPON MANY ASSUMPTIONS, INCLUDING ESTIMATES OF PRODUCTION, DECLINE RATES FROM EXISTING WELLS AND THE UNDERTAKING AND OUTCOME OF FUTURE DRILLING ACTIVITY, WHICH MAY BE AFFECTED BY SIGNIFICANT COMMODITY PRICE DECLINES OR DRILLING COST INCREASES. ESTIMATED PROVED RESERVES AND ESTIMATED PROBABLE RESERVES DO NOT REPRESENT OR MEASURE THE FAIR VALUE OF THE RESPECTIVE PROPERTIES OR THE FAIR MARKET VALUE AT WHICH A PROPERTY OR PROPERTIES COULD BE SOLD FOR. IN THE EVENT OF ANY SUCH SALE, PROCEEDS TO THE COMPANY MAY BE SIGNIFICANTLY LESS THAN THE VALUE OF THE ESTIMATED RESERVES. THE STATEMENTS CONTAINED IN THIS MEMORANDUM AND ANY COMMUNICATIONS, WRITTEN OR ORAL, FROM THE COMPANY, OR ANY OF ITS EMPLOYEES OR AGENTS, SHOULD NOT BE CONSTRUED AS LEGAL, TAX, INVESTMENT, ACCOUNTING OR OTHER EXPERT ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS ON THE POTENTIAL TAX, LEGAL AND OTHER CONSEQUENCES OF SUBSCRIBING FOR, PURCHASING, HOLDING OR SELLING THE BONDS AND RESTRICTIONS AND INVESTMENT RISKS ASSOCIATED THEREWITH. EACH PROSPECTIVE INVESTOR SHOULD CONSULT AND RELY ON THE PROSPECTIVE INVESTOR'S OWN EVALUATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, IN MAKING

AN INVESTMENT DECISIONS WITH RESPECT TO THE BONDS. THIS MEMORANDUM CONTAINS CERTAIN INFORMATION REGARDING OTHER OFFERINGS OF SECURITIES BEING MADE BY MAGNUS CAPITAL OPPORTUNITY FOUNDATION AND/OR ONE OR MORE OF ITS AFFILIATES (A "SEPARATE OFFERING") THAT MAGNUS CAPITAL TOKENIZED ENERGY OPPORTUNITY FOUNDATION HAS DETERMINED TO BE MATERIAL TO EVALUATING A POTENTIAL INVESTMENT IN THE BONDS. THIS MEMORANDUM IS NOT INTENDED TO BE AN OFFER OF SECURITIES IN ANY SEPARATE OFFERING NOR A SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY SEPARATE OFFERING. ANY OFFER OF SECURITIES OR SOLICITATION OF AN OFFER TO BUY SECURITIES IN A SEPARATE OFFERING MAY BE MADE SOLELY BY THE OFFERING CIRCULAR, PRIVATE PLACEMENT MEMORANDUM, OR OTHER OFFERING DOCUMENT (COLLECTIVELY, "SEPARATE OFFERING DOCUMENTS") WITH RESPECT TO SUCH SEPARATE OFFERING. THE FOLLOWING LINK HTTPS://MAGNUSFUND.IO / PROVIDES THE SEPARATE OFFERING DOCUMENTS OF ANY AND ALL OFFERINGS OF SECURITIES BEING GENERALLY SOLICITED BY MAGNUS CAPITAL TOKENIZED ENERGY OPPORTUNITY FOUNDATION AND/OR ANY OF ITS AFFILIATES.

FOR FLORIDA RESIDENTS The securities referred to in this Memorandum have not been registered under the Florida Securities Act. If sales are made to five or more investors in Florida, any Florida investor may, at his option, void any purchase hereunder within a period of three days after he (a) first tenders or pays to the Company, an agent of the Company, or an escrow agent the consideration required hereunder or (b) delivers his executed Subscription Agreement, whichever occurs later. To accomplish this, it is sufficient for a Florida investor to send a letter or telegram to the Company within such three-day period, stating that he is voiding and rescinding the purchase. If any purchaser sends a letter, it is prudent to do so by certified mail, return receipt requested, to ensure that the letter is received and to evidence the time of mailing. FOR PENNSYLVANIA RESIDENTS These securities have not been registered under the Pennsylvania Securities Act of 1972 in reliance upon an exemption therefrom. Any sale made pursuant to such exemption is voidable by a Pennsylvania purchaser within two business days from the date of receipt by the issuer of his written binding contract of purchase or, in the case of a transaction in which there is not a written binding contract or purchase, within two business days after he or she makes the initial payment for the shares being offered. However, this right is not available to any purchaser who is a bank, trust company, savings institution, insurance company, securities dealer, investment company (as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act")), pension or profit-sharing trust, any qualified institutional buyer as defined in 17 C.F.R. 230.144A(a), under the Securities Act, or such other financial institutions as defined by the Pennsylvania Securities Act of 1932 or regulation of the Pennsylvania Securities Commission.

This summary highlights information contained elsewhere in this Memorandum. This summary does not contain all of the information that you should consider before deciding whether to invest in the Bonds. You should carefully read this entire Memorandum,

including the information under the heading “Risk Factors” and all information included in this Memorandum. Our Company. Francis 1215 LLC a limited liability Florida company, was formed February 2021 as a wholly owned financing subsidiary of our Sponsor, Magnus Capital Tokenized Energy Opportunity Foundation,, to undertake financing efforts under Regulation D and subsequently loan amounts to our Sponsor and/or its subsidiaries as needed. We offer high net worth individuals unsecured tokenized bonds pursuant to an offering under Rule 506(c) of Regulation D and do not expect to undertake financing efforts under Regulation A. In connection with our financing efforts, we entered into a loan agreement with our Sponsor, dated May 15th, 2025 (as amended, the “Cayman Foundation Loan Agreement”), which provides for us to loan up to a maximum principal amount of $300,000,000 in one or more advances to the Company and the Operating LLC (“Francis 1215 LLC”), and is secured by Corporate Insurance Notes (junior to our Sponsor’s Credit Agreement (as defined herein) or other senior secured indebtedness) on certain properties owned by our Sponsor and its subsidiaries. For example, these Corporate Notes are junior to our Sponsor’s revolving credit SBLC available under the Sponsor’s Commercial Credit Agreement, dated as of May 14th, 2024 (the “Credit Agreement) , as borrowers, and all other subsidiaries of our Sponsor, including us, as guarantors, which is secured by a senior security interest in all of the assets of the Sponsor and its subsidiaries, including us. The proceeds of advances under the Cayman Foundation Loan Agreement will be used for (i) purchasing mineral rights and non-operated working interests, as well as additional asset acquisitions, (ii) financing potential drilling and exploration operations of one or more subsidiaries, which may include an Operating Co, and (iii) other working capital needs. The timing of any advances under the Cayman Foundation Loan Agreement shall be contingent upon our receipt of proceeds from the sale of Bonds. Each advance may have a different term of maturity and interest rate to track the terms of the respective Bonds sold prior to such advance and to which such advance relates. To the extent the Bonds are accelerated or prepaid, in whole or in part, the Sponsor shall be obligated to pay or prepay, in whole or in part, all or any part of any outstanding indebtedness under the Cayman Foundation Loan Agreement so as to satisfy the obligations and terms of the accelerated or prepaid Bonds. The Cayman Foundation Loan Agreement is not a revolving facility and the Sponsor may not reborrow amounts repaid. We will use any amounts repaid under the Cayman Foundation Loan Agreement to repay the corresponding Bonds. This summary is qualified in its entirety by the Cayman Foundation Loan Agreement which is filed as an exhibit to the offering statement of which this offering circular is a part. For additional information regarding the Cayman Foundation Loan Agreement, please see “Certain Relationships and Related Party Transactions” for more information. Our Sponsor. We are a wholly owned subsidiary of our Sponsor. Our Sponsor, Magnus Cayman Tokenized Energy Opportunity Foundation, a Cayman Island foundation, was formed in September 2025. Our Sponsor is focused on oil and gas operations and executing on a three prong strategy involving the acquisition of royalty assets, acquisition of non-operated working interest assets, and direct drilling operations conducted through our Sponsor’s wholly owned subsidiary, Francis 1215 LLC. Pursuant to this strategy, our Sponsor purchases a variety of assets, including mineral interests, leasehold interests, overriding royalty interests, and perpetual royalty interests. While the Company has primarily targeted assets in the Williston Basin, Permian Basin, Powder River, and Denver Julesburg Basin (“DJ Basin”), it is agnostic to geography and prioritizes asset potential in

executing on its acquisition strategy. Our Sponsor leverages its specialized software system and experienced management team to identify asset opportunities that fit its desired criteria and potential for returns. Our Sponsor prioritizes assets with potential for high monthly recurring cashflows and primarily targets assets that have a potential payback period of 1248 months and longterm (often more than 20 years) lifetime cashflows. To help identify and prioritize assets with such potential, our Sponsor has identified software that penetrates much clearer views of areas of interest. The software system is designed to be scalable and process inputs from a variety of internal and external sources, and supports our Sponsor's ability to identify, analyze, underwrite, and formally transact in the purchasing of oil and gas assets. The software system operates across three key facets of our business:

1. Asset Discovery – The data-driven system has customized inputs that are selected by management to pull in and incorporate data sets from multiple third party sources through custom application interfaces ("APIs") that automatically retrieve updated information on a regular basis. For example, the system retrieves detailed land and title data and well-level data including operator, production metrics, well status, dates of activities, well-specific activities and historical reporting. The software system compiles these inputs and creates dashboards that can be accessed by management to analyze and review granular data on an asset-by-asset level. These dashboards present certain key information, including, among others, the geography of the asset, the estimated probability of future oil wells, the estimated predictability of the timing and value of cashflows, and local and national oil prices. Our Sponsor believes this process provides it with key market intelligence and insights, tailored to prioritize asset traits curated and targeted by management, to identify and rank potential assets. Our Sponsor believes this provides it with a competitive advantage because it is able to identify potentially valuable assets, based on its own hierarchy and prioritization of asset traits and data inputs, which may otherwise be missed by other industry participants.
2. Asset Grading and Estimates – The outputs from the asset discovery process are then run through a discounted cash flow model, using management inputs for discount rate and the price of oil, to generate asset value and pricing estimates. The software system grades these assets based on our Sponsor's management's desired target criteria for high probability of high near-term cash flow and generates a summery version of assets to prospect for acquisition for our sales team. The system also generates an acquisition price for each asset, which informs the sales team as to the maximum price that our Sponsor may be willing to offer in any prospective transaction. This process is used to further characterize high priority targets for sales and acquisition efforts.
3. Asset Acquisition – Based on our Sponsor's management input, the software system then routes the pricing and asset information from the asset grading and estimates process through an automated document generator to create customized, assetspecific document packages for utilization and distribution by our Sponsor's

sales team. The workflow for these document packages is then processed and monitored using Salesforce, which distributes the documents to our Sponsor's operations team for the preparation of an offering and sale package, which is then delivered to the prospective seller. Using relationship management features within Salesforce, our Sponsor's sales team is able to record notes and each opportunity can be tracked from its original data upload through the lifecycle of the sales process.

While the data inputs utilized by our software system are largely based on public information, considerable customization and coding has been done to generate a system that our Sponsor can leverage in its business. This software was designed and built by our Sponsor to address its specific needs and our Sponsor is not aware of a similar competitive product. Our Sponsor relies on trade secret laws to protect its software system and does not own any registered copyright, patent or other intellectual property rights regarding its software. However, our Sponsor believes the investment of significant monetary and intellectual resources have created a system that would be difficult to replicate. Our Sponsor currently has no intention of licensing or selling the software. See "Risk Factors – Risks Related to Our Business and Industry— Our Sponsor does not currently own any registered intellectual property rights relating to its software system and may be subject to competitors developing the same technology." Following the acquisition of an asset, our Sponsor typically shares in the proceeds of the natural resources extracted and sold by a third-party oil and gas operator. While our Sponsor anticipates that extraction activities at its assets will continue to be primarily performed by third parties in the near term, our Sponsor also expects to increase the extent to which Francis 1215 LLC is utilized to drill and operate producing wells, beginning with oil and gas properties contributed to Francis 1215 LLC by our Sponsor. While running extraction activities through Francis 1215 LLC will require significantly more capital than partnering with a third-party oil and gas operator, our Sponsor believes that this operating model will provide greater control of cashflow and increases the potential for shorter payback periods as compared to returns on royalty assets and non-operating working interest assets. Our Sponsor estimates that this operating model will require approximately $50,000,000 in additional capital raise throughout 2026 in order to achieve our Sponsor's intended business plan. Our Sponsor expects that such capital needs will be met in the near to medium term by capital contributions to Francis1215 LLC by our Sponsor, which our Sponsor expects to fund from time to time in varying amounts through a combination of cash from operations, the proceeds from unregistered debt offerings and the Tokenization offerings on the Zoniqx Platform.

proceeds of the Cayman Foundation Loan Agreement, if any, the proceeds of debt procured by any future subsidiary lender to our Sponsor, and the Credit Agreement. The funding of additional amounts to Francis1215 LLC by our Sponsor is not subject to specific milestones or triggering events, but instead will be guided by the business judgment of our Sponsor and MCMF in order to execute on our Sponsor's intended business plan Our Sponsor intends to make such capital contributions to Francis1215 LLC until such time as Francis1215 LLC procures its own financing, if any, or has sufficient cash from operations to

operate without supplemental financing from our Sponsor. The leases contributed are generally required in order for Francis1215 LLC to operate extraction activities on such assets. Our Sponsor anticipates contributing additional oil and gas properties to Francis 1215 LLC in the future. Our Sponsor expects to only contribute oil and gas properties to Francis 1215 LLC that are located in an area where our Sponsor owns or leases enough continuous productive acreage to support meaningful mineral extraction activities. Whether and when our Sponsor has properties it decides to contribute to Francis 1215 LLC will depend on, among other things, our Sponsor's ability to acquire properties from multiple owners, the amount and quality of mineral reserves discovered on such properties, the presence of or proximity to third-party operators with existing extraction activities and the suitability of the area's topography for drilling and operating producing wells. Francis 1215 LLC is currently a borrower under certain of our Sponsor's loan agreements, including the Credit Agreement and the Cayman Foundation Loan Agreement, and could borrow amounts under such agreements directly. Francis 1215 LLC may procure its own independent source of financing in the future, however, there is currently no definitive plan with respect to such independent financing. Our Sponsor anticipates contributing additional oil and gas properties to FRANCIS1215LLC in the future. Francis 1215 LLC commenced initial spudding at its first wells in the fourth quarter of 2025 with permit in hand to commence our drilling and extraction of 219 acres and our Sponsor anticipates that the first operated production from the initially contributed properties could occur as early as the January first quarter of 2026. Regardless, on a 25% raise we can start operations immediately as we have secured permits already for operation. For more information about our Sponsor, please visit its website at https://www.magnusfund.io. The information on, or otherwise accessible through, our website does not constitute a part of this Memorandum. See "General Information About Our Company—Our Sponsor's Business Strategy." The Offering. We are offering a maximum Bond aggregate amount of $300,000,000 of bonds at a price of $1,000 per bond. As of the date of this Memorandum, we have issued $0.00 aggregate principal amount of bonds, and we are hereby offering an $50,000,000 amount of Bonds up to the maximum amount of $300,000,000 in the aggregate on a project need basis. All sales of the Bonds will be strictly limited to persons who (i) are "accredited investors," as such term is defined in Rule 501 of Regulation D under the Securities Act and (ii) meet the requirements and make the representations set forth herein and in the subscription agreement attached hereto as Exhibit B (the "Subscription Agreement"). See "Plan of Distribution—Who May Invest" for further information regarding your eligibility to purchase Bonds. This offering will terminate on the earliest of: (i) the date we sell the Maximum Offering Amount; (ii) the second anniversary of the date of this Memorandum, as may be extended by up to one year by us by supplement hereto; or (iii) such date upon which we determine to terminate the offering in our sole discretion. We may elect to extend the maturity date of all or any portion of the Bonds, including all or any portion of any series, for up to two additional one-year periods in our sole discretion. We are offering

SUMMARY OF OFFERING

Issuer…… Francis 1215 Florida Limited Liability Co. Magnus

Capital Tokenized Energy Opportunity Foundation, a Cayman Island Foundation

Tokenized Bonds Offered …… $50,000,000 of a Aggregate Maximum Offering Amount of $300,000,000.

The minimum purchase amount is $500,000 and the maximum amount is $10,000,000. However, the Company, in its sole discretion, reserves the right to accept smaller purchase amounts than the applicable Minimum Purchase. The Company reserves the right to increase the Maximum Offering Amount by $100,000,000 for a total of $400,000,000 in the Company's sole discretion by supplement to this Memorandum. The Company reserves the right to accept smaller purchase amounts in the Company's sole discretion.

Investor Suitability Requirements … You should purchase Bonds only if you have substantial financial means and you have no need for liquidity in your investment. The sale of Bonds in this offering is strictly limited to "accredited investors," as such term is defined in Rule 501 of Regulation D under the Securities Act, and who meet certain minimum suitability and verification requirements. See "Who May Invest" for more information.

Maturity Date…….. The bonds will mature on dates according to the purchase price and length at time of purchase. The Company may elect to extend the maturity date of all or any portion of the Bonds, including all or any portion of any series, for up to two additional one-year periods in the Company's sole discretion.

Interest Rate ……..are accordingly to the bond term as stated below,

2-Year Term – 11.5% Annual Return 3-

Year Term – 13.5% Annual Return

5-Year Term – 15.0% Annual Return

Interest Payments ……. The sole difference between the three forms of Bonds per series is the form of payment of interest. For example, the Series 2 year and 3-year Bonds will pay simple interest to the Bondholder quarterly through cash distributions in arrears on the tenth day of each month, while the Series 5-year Bonds will pay interest quarterly its given rate. At maturity, the bonds will pay the entirety of accrued interest and principal. Interest will accrue based on a 360-day year consisting of twelve 30-day months.

Offering Price…….. $1,000 per Bond.

Ranking …….. The Bonds will be subordinated, unsecured indebtedness of the Company. The Bonds will be contractually subordinated to any other indebtedness that the Company expressly agrees is senior to the Bonds (which does not require Bondholder consent) and effectively subordinated to any of the Company's current or future secured indebtedness, to the extent of the value of the assets securing that indebtedness. The Bonds will also be structurally subordinated to all liabilities (including

trade payables) of each of the Company's subsidiaries, if any The Bonds will rank pari passu with our other unsecured indebtedness that we have not expressly agreed is senior to the Bonds, including the Company's Bonds future offered pursuant to its offering under Rule 506(c) of Regulation D that commenced in September 2025 with maturity dates ranging from 2 to 5 years of the issue date and interest rates ranging from 11-15% - to the Credit Agreement, which is secured by a senior security interest in all of the assets of our Sponsor and its subsidiaries, including the Company, and to which the Bonds will be subordinated in right of payment, and (ii) the Cayman Foundation Loan Agreement, which provides for borrowings up to a maximum principal amount of $300,000,000 in one or more advances to Francis 1215 LLC, and is secured by Corporate Insurance Notes (junior to the Credit Agreement or other senior secured indebtedness) on certain properties owned by our Sponsor and its subsidiaries. Our Sponsor also intends to enter into a Line of Credit Loan Agreement with its subsidiary, Magnus Capital Master Fund ("MCMF"). To secure the loan from MCMF (the "MCMF Loan"), our Sponsor expects to enter into these loans. See "Certain Relationships and Related Party Transactions" for more information. The Bonds will rank structurally senior to certain of our Sponsor's other unsecured indebtedness, including: (i) our Sponsor's unsecured bonds offered and sold pursuant to an offering

under Regulation D that are being offered serially, over a maximum period of 5 years, starting in September 2025

The terms of the Bonds permit the issuance of certain debt securities and incurrence of other indebtedness, which issuance or incurrence may rank senior to the Bonds. See "Risk Factors - Risks Related to the Bonds and to this Offering," "General Information About Our Company—Unsecured Debt Obligations" and "Company Structure Chart" for more information.

Securities Laws Matters and Restrictions on Transferability …… The Bonds offered under this Memorandum have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction. The Bonds are subject to restrictions on transferability and may not be transferred except as permitted by the Securities Act and applicable state or other jurisdictions securities laws pursuant to registration or exemption therefrom. Before selling or transferring a Bond, an investor must obtain the written consent of the Company and comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws and regulations. There is no public market for these securities and there is no assurance that a public market for these securities will develop in the foreseeable future or at all. Bondholders cannot expect to be able to liquidate their investment in case of an emergency. Bondholders may find it difficult or impossible to dispose of any of these securities and must be prepared to retain them for an indefinite period of time. In addition, the Company does not intend to be registered as an investment company under the Investment Company Act, nor does the Company's manager (the "Manager") plan to register as an investment advisor under the Investment Advisers Act of 1940 (as amended, the "Investment Advisers Act").

Bondholder Redemption …….. Bondholders may request to have their Bonds redeemed at any time prior to the maturity date, subject to an annual cap referenced below, regardless of the reason for the redemption, at the option of the Company, at a price equal to $950, plus all accrued but unpaid interest per Bond, regardless of when such Bonds are redeemed. The Company may allow Bondholders to redeem Bonds in its sole discretion. We do not anticipate redeeming Bonds in any given year pursuant to this redemption policy in excess of 10% of the outstanding principal balance of the Bonds, in the aggregate, on the most recent of January 1st, April 1st, July 1st or October 1st of the applicable year while the Offering is open, and January 1st of the applicable year, following the offering termination. We are not required to establish a sinking fund or reserve for the redemption of Bonds, and our ability to redeem Bonds will be subject to the availability of cash or other financing sources and cannot be assured.

Redemption at the Option of the Company …….. The Bonds may be redeemed at our option at no penalty. Any redemption will occur at a price equal to the then outstanding principal amount of the Bonds, plus any accrued but unpaid interest. For the specific terms of the Optional Redemption, please see “Description of Bonds—Optional Redemption” for more information.

Default ……. The Form of Bond governing the Bonds will contain events of default, the occurrence of which may result in the acceleration of our obligations under the Bonds in certain circumstances. Events of default, other than payment defaults, will be subject to our Company’s right to cure within a certain number of days of such event of default. Our Company will have the right to cure any payment default within 60 days before the trustee may declare a default and exercise the remedies under the Form of Bond. See “Description of Bonds—Events of Default” for more information.

Form ……. Bonds will be registered in book-entry form on the books and records of the Company. See “Plan of Distribution—How to Invest—Book-Entry, Delivery and Form” for more information.

Denominations …….. We will issue the Bonds only in denominations of $1,000. Payment of Principal and Interest … Principal and interest on the Bonds will be payable in U.S. dollars or other legal tender, coin or currency of the U.S.
Future Issuances …….. The Company may, from time to time, without notice to or consent of the Bondholders, increase the aggregate principal amount of any series of the Bonds outstanding by issuing additional bonds in the future with the same terms of such series of Bonds, except for the issue date and offering price, and such additional bonds shall be consolidated with the applicable series of Bonds and form a single series. No consent of the Bondholders is required under the Bonds for the issuance of additional series of Bonds, including such additional series which may have payment priority superior to current Bonds.

Registrar and Paying Agent …….. The Company is the registrar and designated paying agent with respect to the Bonds, and as such, will make payments on the Bonds. The Bonds will be issued in book-entry form only, evidenced by global certificates.

Governing Law …….. The Form of Bond and the Bonds will be governed by the laws of the State of Florida, and eventually future rounds will be by the CIMA after creation.

Material Tax Considerations ……. You should consult your tax advisors concerning the U.S. federal income tax consequences of owning the Bonds in light of your own specific situation, as well as consequences arising under the laws of any other taxing jurisdiction.

Risk Factors …….. An investment in the Bonds involves certain risks. You should carefully consider the risks above, as well as the other risks described under "Risk Factors" beginning on page 17 of this Memorandum before making an investment decision.

COMPANY STRUCTURE CHART

Overview of Francis 1215 LLC, Florida Holding Company, and Magnus Cayman Tokenized Energy Fund Foundation; Magnus Vaults; Magnus Stable Coin; Magnus Capital Master Quant Fund

Structure, Asset Holdings, and Fundraising Mechanisms

Francis 1215 LLC a Florida Holding Company: Asset Ownership

Francis 1215 LLC, operating as a Florida Holding Company, serves as the legal owner of a substantial portfolio of corporate insurance notes valued at $110 million. These notes are held as collateral, forming the core of the company's financial strategy and security framework. Such assets provide leverage and stability, and are integral for supporting the company's ongoing operations and financial commitments.

Magnus Cayman Tokenized Energy Fund Foundation: Ownership and All Asset Control & Vault Curator

The Magnus Cayman Tokenized Energy Fund Foundation (MCTEFF) maintains ownership over Francis 1215 LLC and, by extension, all associated assets. This hierarchical structure places the Foundation at the apex, controlling the Florida Holding Company and the $110M in corporate insurance notes used as collateral. By holding these assets, MCTEFF positions itself to manage risk, optimize capital allocation, and exercise strategic oversight over the underlying businesses and financial instruments.

Fundraising via Tokenized Offerings Zoniqx Platform

MCTEFF employs innovative fundraising approaches, notably through tokenized offerings. This method leverages blockchain technology to issue digital tokens, which represent an interest in the foundation's assets, fund, or future cash flows. Tokenization enhances liquidity, broadens the investor base, and streamlines the investment process by allowing fractional ownership and instant transferability of interests. Through these offerings, MCTEFF raises capital for expansion, project development, and further acquisition, providing investors exposure to the fund's underlying energyrelated assets and collateralized notes.

- Francis 1215 LLC: Florida Holding Company owning $110 million in corporate insurance notes for collateral purposes.
- Magnus Cayman Tokenized Energy Fund Foundation: Parent entity, owns Francis 1215 LLC and all associated assets.
- Fundraising: Capital is raised via tokenized offerings, enhancing liquidity and investor access and ownership.

Entity	Role	Asset Value	Mechanism	Ownership
Francis 1215 LLC	Holding Company Token Issueer	$110,000,000 / oil and gas permitted project.(13.8M)	Corporate Insurance Notes (Collateral)	MCTEFF

Magnus Cayman Tokenized Energy Fund Foundation	Parent Entity	Owns & Controls all assets of Francis 1215 LLC -	Tokenized Offerings	N/A
Magnus Vaults	Future Expansion	$62,000,000 from initial offerings from Zoniqx -	Increase yields products, lending, staking.	MCTEFF
Magnus Stablecoin	Future Expansion	Pegged to Foundation for payment processing and trade transfers into trading account	Pegged to Magnus Caymen Tokenized Energy Fund and Magnus Capital Master Quant Fund	MCTEFF
Magnus Capital Master Quant Fund	Fund of Fund based in Zurich	Investment from MCTEFF	Trading strategies that increase ROI and create Profit	MCTEFF

Summary Table

Conclusion

This structure illustrates a modern approach to corporate asset management and fundraising through digital tokenization, optimizing both capital efficiency and investor reach. Francis 1215 LLC's collateralized insurance notes provide a robust financial base, while the Magnus Cayman Tokenized Energy Fund Foundation's ownership and fundraising mechanisms support continued growth and stability.

WHO MAY INVEST We will offer and sell the Bonds in reliance on an exemption from the registration requirements of the Securities Act and state securities laws pursuant to Rule 506(c) of Regulation D. Accordingly, sales of the Bonds will be strictly limited to persons who (i) are verified to be "accredited investors" and (ii) meet the requirements and make the representations set forth below and in the Subscription Agreement. We reserve the right, in our sole discretion, to reject any subscription based on any information that may become known or available to us about the suitability of a prospective investor, or "Investor," or for any other reason. An investment in the Bonds involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. Only Investors who (i) purchase the Minimum Purchase as set forth in the Memorandum, and (ii) represent in writing that they are "accredited investors" (as defined under Rule 501 of Regulation D) and meet the Investor suitability and verification requirements set by us and as may be required under federal or state law, may acquire Bonds. The written representations you make will be reviewed to determine your suitability. The Investor Suitability Requirements stated below represent minimum suitability requirements established for investors in Bonds. However, your satisfaction of these requirements will not necessarily mean that the Bonds are a suitable investment for you, or that we will accept you as a Bondholder. Furthermore, we may modify such requirements in our sole discretion, and such modifications may raise the suitability requirements for Investors. You must represent in writing that you meet, among others, all of the following requirements (the "Investor Suitability Requirements"). (a) You have received, read and fully understand the Memorandum and are basing your decision to invest solely on the information contained in the Memorandum. You have relied only on the

information contained in the Memorandum and have not relied on any representations made by any other person. (b)

You have such knowledge of, and experience in, financial and business matters as to be capable

of: (A) evaluating the merits and risks of, and bearing the economic risks entailed by, an investment in the Company; and (B) protecting his, her or its interests in connection with that investment. You acknowledge that an investment in the Company involves a high degree of risk. (c) You may be required to hold the Bonds indefinitely or to transfer the Bonds in "private placements" that are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of an Investor. You acknowledge that, as a consequence, you must bear the economic risks of the investment in the Bonds for an indefinite period of time. (d) You understand that the Bonds are, and will remain, illiquid. You have reviewed your financial condition and commitments, and discussed those matters with advisors to the extent that you consider necessary. Based on that review, you are satisfied that you (A) have adequate means of providing for your financial needs without selling, transferring or otherwise disposing of any the Bonds and (B) are capable of bearing the economic risk of (y) investing in the Securities for an indefinite period of time and (z) the possible loss of all or part of your investment in the Bonds. (e) You are acquiring the Bonds for your own account, and not with a view to, or for, resale or distribution in violation of the Securities Act, the securities laws of any U.S. state or the securities Laws of any other applicable jurisdiction. No individual, corporation, association, partnership, estate, trust or any other entity or organization (a "Person") has a direct or indirect beneficial interest in the Bonds to be issued to you under the Operating Agreement and, other than the Operating Agreement, you do not have any contract, understanding, agreement or arrangement with any Person to sell, assign, transfer or otherwise dispose of any the Bonds to any Person.

(f) You are an "Accredited Investor" as defined in Rule 501(a) of Regulation D under the Securities Act if you meet one of the following tests you qualify as an Accredited Investor: (i) you are a natural person who has had individual income in excess of $200,000 in each of the two most recent years, or joint income with your spouse (or spousal equivalent) in excess of $300,000 in each of these years, and have a reasonable expectation of reaching the same income level in the current year; (ii) you are a natural person and your individual net worth, or joint net worth with your spouse (or spousal equivalent), exceeds $1,000,000 at the time you purchase the Bonds (please see below on how to calculate your net worth); (iii) you are an executive officer, director, trustee, general partner or advisory board member of the issuer or a person serving in a similar capacity as defined in the Investment Company Act, or a manager or executive officer of the general partner of the issuer; (iv) you are an investment adviser registered pursuant to Section 203 of the Investment Advisers Act or an exempt reporting adviser as defined in Section 203(1) or Section 203(m) of that act, or an investment adviser registered under applicable state law. (v) you are an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the Code, a corporation, a Massachusetts or similar business trust or a partnership or a limited liability company, not

formed for the specific purpose of acquiring the Bonds, with total assets in excess of $5,000,000; (vi) you are an entity, with investments, as defined under the Investment Company Act, exceeding $5,000,000, and you were not formed for the specific purpose of acquiring the Bonds; (vii) you are a bank or a savings and loan association or other institution as defined in the Securities Act, a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended, the Exchange Act, an insurance company as defined by the Securities Act, an investment company registered under the Investment Company Act, or a business development company as defined in that act, any Small Business Investment Company licensed by the Small Business Investment Act of 1958, any Rural Business Investment Company as defined in the Consolidated Farm and Rural Development Act of 1961 or a Private Business Development Company as defined in the Investment Advisers Act; (viii) you are an entity with investments of not less than $5,000,000 (including an Individual Retirement Account trust) in which each equity owner is an accredited investor; (ix) you are a trust with total assets in excess of $5,000,000, your purchase of the Bonds is directed by a person who either alone or with his purchaser representative(s) (as defined in Regulation D promulgated under the Securities Act) has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment, and you were not formed for the specific purpose of investing in the Bonds; (x) you are a family client of a family office, as defined in the Investment Advisers Act, with total assets not less than $5,000,000, your purchase of the Bonds is directed by a person who has such knowledge and experience in financial and business matters that the family office is capable of evaluating the merits and risks of the prospective investment, and the family office was not formed for the specific purpose of investing in the
Bonds; (xi) you are a "family office," as defined in Rule 202(a)(11)(G)-1 of the Investment Advisers Act, with (i) assets under management in excess of $5 million, (ii) that is not formed for the specific purpose of acquiring the securities offered and (iii) whose prospective investment is directed by a person who has the knowledge and experience capable of evaluating the merits and risks of the prospective investment will now qualify as an accredited investor; or
(xii) you are a holder in good standing of certain professional certifications or designations, including the Financial Industry Regulatory Authority, Inc. Licensed General Securities Representative (Series 7), Licensed Investment Adviser Representative (Series 65), or Licensed Private Securities Offerings Representative (Series 82) certifications. (g) you also certify that neither:

(i) you nor any subsidiary, affiliate, owner, shareholder, partner, member, indemnitor, guarantor or related person or entity:

is a Sanctioned Person (as defined below);

has more than 15% of its assets in Sanctioned Countries (as defined below); or

(iv) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. For purposes of the foregoing, a "Sanctioned Person" means:

(a) a person named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Office of Foreign Assets Control ("OFAC") at https://www.treasury.gov/about/organizational-structure/offices/Pages/OfficeofForeign-Assets-C ontrol.aspx, or as otherwise published from time to time; or

(b) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country or (iii) a person residing in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A "Sanctioned Country" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at https://www.treasury.gov/about/organizational-structure/offices/Pages/OfficeofForeign-Assets-Control.aspx, or as otherwise published from time to time. NOTE: For the purposes of calculating your net worth, Net Worth is defined as the difference between total assets and total liabilities. This calculation must exclude the value of your primary residence and may exclude any indebtedness secured by your primary residence (up to an amount equal to the value of your primary residence). In the case of fiduciary accounts, net worth and/or income suitability requirements may be satisfied by the beneficiary of the account or by the fiduciary, if the donor or grantor is the fiduciary and the fiduciary directly or indirectly provides funds for the purchase of the Bonds. SEC Rule 506(c) requires an issuer to take "reasonable steps" to verify that each investor in this offering is accredited. If an investor does not provide information reasonably required by the Company to verify the accredited status of the Investor, or if the Company does not believe an investor's accredited status has been verified, then the investor will not be permitted to invest, regardless of whether the investor is actually accredited. The Subscription Agreement requires a prospective investor to submit such verification information to the Company, our Managing Broker-Dealer, or any third party verification service selected by the Company. IF YOU DO NOT MEET THE REQUIREMENTS DESCRIBED ABOVE, IMMEDIATELY RETURN THIS MEMORANDUM TO US OR THE APPLICABLE SELLING GROUP MEMBER. IN THE EVENT YOU DO NOT MEET SUCH REQUIREMENTS, THIS MEMORANDUM WILL NOT CONSTITUTE AN OFFER TO SELL BONDS TO YOU. Discretion of the Manager. The Investor Suitability Requirements stated above represent minimum suitability requirements, as established by the Company, for the Bondholders. Accordingly, the satisfaction of applicable requirements by an Investor will not necessarily mean that the Bonds are a suitable investment for such Investor, or that the Company will accept the Investor as a subscriber. Furthermore, the Company may modify such requirements at its sole and absolute discretion for all or certain Investors, and any such modification may raise the suitability requirements for Investors; provided, however that no modification will permit a non-accredited investor,

(c) or an Accredited Investor for whom the Company has not taken reasonable steps to verify accredited status, to invest in this Offering. The written representations you make will be reviewed to determine your suitability. The Company may, in its sole

and absolute discretion, refuse a subscription for Bonds if it believes that an Investor does not meet the applicable Investor Suitability Requirements, the Bonds otherwise constitute an unsuitable investment for the Investor, or for any other reason.

HOW TO SUBSCRIBE ***invest.*****magnusfund.io** If, after carefully reading the entire Memorandum, obtaining any other information available hereby and being fully satisfied with the results of pre-investment due diligence activities, you would like to purchase Bonds, you should complete and sign the Subscription Agreement as attached hereto as Exhibit B. The Subscription Agreement may be submitted in paper form or electronically. Paper subscriptions should be delivered to Magnus Capital Opportunity Foundation,. Subscriptions may also be submitted electronically at our Sponsor's website, invest.magnusfund.io. Generally, when submitting a Subscription Agreement electronically, a prospective investor will be required to agree to various terms and conditions by checking boxes and to review and electronically sign any necessary documents. You may pay the purchase price for your Bonds by check, ACH, or wire of your subscription purchase price in accordance with the instructions in the subscription agreement. ACH payments are the Company's preferred method of subscription payment delivery. An investor must purchase at least the applicable Minimum Purchase, however, the Company, in its sole discretion, reserves the right to accept smaller purchase amounts. Upon receipt of the signed Subscription Agreement and full payment for the Bonds to be purchased, verification of your investment qualifications by the Company, and acceptance of the Investor's purchase by the Company (in the Manager's sole and absolute discretion), the Company will notify each Investor of receipt and acceptance of the purchase and issue a Bond in appropriate form. In the event the Company does not accept an Investor's purchase of the Bonds for any reason, the Company will promptly return the payment to such subscriber. By completing and executing your Subscription Agreement you will also acknowledge and represent that you have received a copy of this Memorandum, you are purchasing the Bonds for your own account and that your rights and responsibilities regarding your Bonds will be governed by the Form of Bond certificate included as an exhibit to this Memorandum. Instructions for subscribing for the Bonds are in the Subscription Agreement.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS This Memorandum contains certain forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements are generally identifiable by use of forwardlooking terminology such as "may," "will," "should," "potential," "intend," "expect," "outlook," "seek," "anticipate," "estimate," "approximately," "believe," "could," "project," "predict," or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward-looking information. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in our forward looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth or anticipated in our forward

looking statements. Factors that could have a material adverse effect on our forward looking statements and upon our business, results of operations, financial condition, funds derived from operations, cash flows, liquidity and prospects include, but are not limited to, the factors referenced in this Memorandum, including those set forth below. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this Memorandum. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our views as of the date of this Memorandum. The matters summarized below and elsewhere in this Memorandum could cause our actual results and performance to differ materially from those set forth or anticipated in forward-looking statements. Accordingly, we cannot guarantee future results or performance. Furthermore, except as required by law, we are under no duty to, and we do not intend to, update any of our forward-looking statements after the date of this Memorandum, whether as a result of new information, future events or otherwise.

RISK FACTORS An investment in the Bonds is highly speculative and is suitable only for persons or entities that are able to evaluate the risks of the investment. An investment in the Bonds should be made only by persons or entities able to bear the risk of and to withstand the total loss of their investment. Prospective investors should consider the following risks before making a decision to purchase the Bonds. To the best of our knowledge, we have included all material risks to investors in this section. Risks Related to the Bonds and to this Offering We may not have sufficient available cash to pay any interest or principal on the Bonds and our significant level of indebtedness and liabilities could limit cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under the Bonds. We may not have or generate sufficient available cash to pay any interest or principal on the Bonds. The amount of cash available to us to make payment on the Bonds will depend principally on the cash that our Sponsor generates from operations, which will depend on, among other factors, the amount of oil and gas our Sponsor or the third-party operators at our Sponsor's properties can produce, the prices at which our Sponsor or the third-party operators are able to sell oil and gas, the level of our Sponsor's capital expenditures and operating costs; and the level of our and our Sponsor's interest expense, which will depend on the amount of our and our Sponsor's outstanding indebtedness and the applicable interest rate. Furthermore, we and our Sponsor have and will continue to have a significant amount of indebtedness and liabilities following this offering. We may and our Sponsor may also incur additional indebtedness to meet future financing needs. Our indebtedness and our Sponsor's indebtedness could have significant negative consequences for our and our Sponsor's business, results of operations and financial condition, including increasing our and our Sponsor's vulnerability to adverse economic and industry conditions, limiting our and our Sponsor's ability to obtain additional financing, requiring the dedication of a substantial portion of cash flow from our Sponsor's operations to service our indebtedness, thereby reducing the amount of cash flow available for other purposes, limiting our and our Sponsor's flexibility in planning for, or reacting to, changes in our business, and placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access

to capital resources. We cannot assure you that we or our Sponsor will continue to maintain sufficient cash reserves or that our and our Sponsor's business will generate cash flow from operations at levels sufficient to permit us to pay principal and interest on the Bonds, or that our cash needs will not increase. If we or our Sponsor are unable to generate sufficient cash flow or otherwise obtain funds necessary to make required payments, or if we fail to comply with the various requirements of the Bonds, or any other indebtedness then outstanding, we may default, which would permit the holders of the affected indebtedness to accelerate the maturity of such indebtedness and could cause defaults under any other indebtedness. Any default under the Bonds or any other indebtedness could have a material adverse effect on our business, results of operations and financial condition. We may engage in a variety of transactions that may impair our ability to pay interest and principal on the Bonds. In addition to the existing debts described above, we may engage in activities, such as issuing additional debt that may rank senior or pari passu with the Bonds, which may hinder our ability to pay our bond service obligations. In addition, other than the limited covenants contained in the Form of Bond and discussed in this Memorandum, we are not subject to additional restrictions on our activities. Bonds with longer terms may be subject to higher risk as a result. We are offering Bonds with maturities ranging from five to eleven years and we are offering Bonds with the option to have interest compound and be paid at maturity rather be paid monthly in cash. A Bond with a longer term will be subject to and affected by the potential risks to the Company's operations for a longer period of time than a shorter-term Bond would. As a result, there will be a greater chance of an adverse event occurring with

regarding to the Company during the term of a longer-termed Bond. Risks that may be increased by the passage of time may include: • • • • •

our ability to attract and retain key personnel; changing regulations and legislation that affect our business; short and long-term fluctuations in oil prices; costs and expenses associated with extraction on our properties; and the potential for a change of control or other significant transaction.

Such risks and others discussed herein, particularly under "Risk Factors—Risks Related to Our Business and Our Industry," become more likely to occur the longer that an investment in our Bonds is outstanding. For example, the risk is greater relative to the 5 year Bonds than it is relative to the two year Bonds that other companies in our industry, including those with greater resources than us, are able to outcompete us in the deployment of capital, during the term of the Bonds, making it more difficult for us to earn the returns on our investments necessary to service our longer-termed indebtedness. Additionally, a significant proportion of our Sponsor's outstanding indebtedness may mature and be payable prior to the maturity of the advances made under the Loan Agreement and the Bonds, and the repayment thereof may reduce the assets available for our Sponsor to repay advances under the Loan Agreement and subsequently our ability to pay amounts due with respect to the Bonds. In addition, neither we nor our Sponsor or any of our or its subsidiaries will be prohibited from incurring additional indebtedness that matures prior to any series of Bonds offered hereby or the Loan Agreement, which incurrence could increase the chance that there may be insufficient assets to make payments on Bonds.

Furthermore, Bondholders will have no right to require us to redeem their Bonds, and we may redeem Bonds at any time at par. As such, Bondholders with longer-termed bonds will be subject to increased risks that both (1) their capital is tied up for an extended period during which they may be able to put such capital to better use and (2) we may redeem their Bonds at a time when they are unable to reinvest the capital in a way that yields a return equal to or greater than their expected return under the longer-termed Bonds offered hereby. The Bonds are not obligations of our subsidiaries and will be effectively subordinated to any future obligations of our Company's subsidiaries, if any. Structural subordination increases the risk that we will be unable to meet our obligations on the Bonds. The Bonds are our obligations exclusively and not of any of our subsidiaries. We do not currently have any subsidiaries, but we are not precluded from acquiring or forming subsidiaries. If acquired or formed, our Company's subsidiaries are not expected to be guarantors of the Bonds and the Bonds are not required to be guaranteed by any subsidiaries our Company may acquire or form in the future. The Bonds are effectively subordinated to all of the liabilities of our Company's subsidiaries, to the extent of their assets, because they are separate and distinct legal entities with no obligation to pay any amounts due under our Company's indebtedness, including the Bonds, or to make any funds available to make payments on the Bonds. Our Company's right to receive any assets of any subsidiary in the event of a bankruptcy or liquidation of the subsidiary, and therefore the right of our Company's creditors to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors, in each case to the extent that our Company is not recognized as a creditor of such subsidiary. In addition, even where our Company is recognized as a creditor of a subsidiary, our Company's rights as a creditor with respect to certain amounts are subordinated to other indebtedness of that subsidiary, including secured indebtedness to the extent of the assets securing such indebtedness. The Company and our Sponsor are subject to regular and balloon payments of principal and interest which may adversely impact our Sponsor's ability to repay amounts advanced under the Loan Agreement and ultimately our ability to service our debt and other Company obligations. The Company and our Sponsor are obligated to service multiple series of Bonds with various payment schedules, maturity dates and interest rates. As a result, payments by the Company toward a certain series of Bonds reduces cashflow available to a different series of Bonds, which may increase the Company's risk of default or business failure. In particular, the longertermed Bonds offered hereby will pay higher interest rates than the shorter termed Bonds offered hereby, ranging from 11.0% per annum Bonds, which have 2 year terms, to 15.0% per annum Bonds, which have only five-year terms. receive a higher interest rate by redeeming all or part of his or her Bonds and purchasing different securities.

Bondholders cannot expect to be able to liquidate their investment in case of an emergency. Further, the sale of Bonds may have adverse federal income tax consequences. The Bondholders will be required to obtain the prior written consent of the Company to transfer the Bonds. There are no specified circumstances relating to the granting or withholding of the required prior written consent of the Manager. Accordingly, the Company may not consent to a request for approval to transfer the Bonds. There is no

established trading market for the Bonds and we do not expect one to develop. Therefore, Bondholders may not be able to resell them for the price that they paid or sell them at all. Prior to this offering, there was no active market for the Bonds and we do not expect one to develop. We do not have any present intention to apply for a quotation for the Bonds on an alternative trading system or over the counter market and even if we obtain that quotation in the future, we do not know the extent to which investor interest will lead to the development and maintenance of a liquid trading market. Further, the Bonds will not be quoted on an alternative trading system or over the counter market until after the termination of this offering, if at all. Therefore, investors will be required to wait until at least after the final termination date of this offering for such quotation. The initial public offering price for the Bonds has been determined by us. You may not be able to sell the Bonds you purchase at or above the initial offering price or sell them at all. Alternative trading systems and over the counter markets, as with other public markets, may from time to time experience significant price and volume fluctuations. As a result, if the Bonds are listed on such a trading system, the market price of the Bonds may be similarly volatile, and Bondholders may from time to time experience a decrease in the value of their Bonds, including decreases unrelated to our operating performance or prospects. The price of the Bonds could be subject to wide fluctuations in response to a number of factors, including those listed in this "Risk Factors" section of this Memorandum. No assurance can be given that the market price of the Bonds will not fluctuate or decline significantly in the future or that Bondholders will be able to sell their Bonds when desired on favorable terms, or at all. Further, the sale of the Bonds may have adverse federal income tax consequences. The Form of Bond does not require the Company to provide Bondholders cash statements or certification of compliance with the Bonds. The Form of Bond does not require the Company to provide Bondholders cash statements or financial information other than annual tax reports within 90 days of the end of our fiscal year and unaudited annual financial statements within 120 days of the end of the Company's fiscal year. Moreover, the Company is only required to notify the Bondholders annually, within 120 days following end of each calendar year, a written statement certifying that to the knowledge of the Company's officers the Company is in compliance with the Form of Bond or specifying any event of default thereunder. Risks Related to Our Corporate Structure Because we are a wholly owned subsidiary of our Sponsor, any adverse changes in the financial health of our Sponsor or our relationship with it could hinder our operating performance and our ability to meet our financial obligations. We are dependent on our Sponsor to manage our operations. Our Sponsor makes all decisions with respect to our management. Any adverse changes in the financial condition of our Sponsor could hinder our ability to successfully manage our operations. Bondholders will have no control over the operations of our Company or the Loan Agreement, which will be operated and controlled solely by our Sponsor as our sole manager. Such lack of control and our Sponsor's inherent conflicts of interest in administering our Company and the Loan Agreement of which it is the borrower increases the uncertainty and risks you face as an investor in the Bonds. Our Sponsor is responsible for the day-to-day operations of the Company and management of the Loan Agreement and has broad discretion over the use of proceeds from the Loan Agreement and the administration of the Loan Agreement in accordance with the related documents. Our

Sponsor may make changes to the Loan Agreement or other operations of our Company at its sole discretion. Neither our Sponsor nor any of its executive officers owe any fiduciary duties to Bondholders. Accordingly, you should not purchase Bonds unless you are willing to entrust all aspects of our day-to-day management and the management of the Loan Agreement to our Sponsor.

Risks Related to Our Business and Our Industry We have a limited operating history and may not be able to operate our business successfully. Our Company was formed on January 2021 and as of the date of this Memorandum, we have a limited operating history. As a result, an investment in the Company may entail more risk than an investment in the securities of an oil and gas company with a substantial operating history. Our limited operating history may adversely impact our ability to conduct business and financial operations. Our sole business is to provide advances under the Loan Agreement to our Sponsor and the singular concentration of our resources into this line of business could increase our risk of business failure. Our Company was formed for the sole purpose of providing financing to our Sponsor in order to receive subordinated interests in oil and gas producing properties of our Sponsor in exchange. Our sole source of revenue are the principal and interest payments that our Sponsor will pay us under the Loan Agreement. We do not have any operational streams of revenue and instead are reliant on income from payment of interest and principal under the Loan Agreement from our Sponsor. We do not expect to have the opportunity to diversify into other potential revenue streams. Because of the unique difficulties and uncertainties inherent in the mineral rights investment business, our Sponsor faces a potential risk of business failure which could adversely affect our business. Potential investors should be aware of the difficulties normally encountered by companies investing in mineral rights and the potential failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the mineral rights investment that our Sponsor plans to undertake. These potential problems include, but are not limited to, unanticipated problems relating to finding mineral rights assets, and additional costs and expenses that may exceed current estimates. The search for minerals may also involve numerous hazards. Thus, our Sponsor may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which our Sponsor cannot insure or against which our Sponsor may elect not to insure. Our Sponsor's payment of such liabilities may have a material adverse effect on our financial position as our Sponsor would then have less funds available. In addition, there is no assurance that the expenditures to be made by our Sponsor in the exploration phase will result in the discovery of economic deposits of minerals. Problems such as unusual or unexpected formations and other conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. Threats to our Sponsor's viability as a going concern and ability to repay advances under the Loan Agreement may adversely affect our own business prospects as our sole purpose is to lend capital to our Sponsor. Our Sponsor incurs increased costs as a result of ongoing reporting requirements, and our Sponsor's management devotes substantial time to compliance initiatives and corporate governance practices. Our Sponsor's disclosure controls and procedures may not prevent or detect all errors or acts of fraud. Our Sponsor

is subject to laws, regulations and rules enacted by national, regional and local governments. In particular, our Sponsor is required to comply with certain ongoing reporting requirements of the SEC and other legal or regulatory requirements. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. Those laws, regulations or rules and their interpretation and application may also change from time to time and those changes could adversely affect our business and results of operations. In addition, a failure to comply with applicable laws, regulations or rules, as interpreted and applied, could adversely affect our business and results of operations. Our Sponsor continues to iterate on our disclosure controls and procedures to reasonably assure that information it must disclose in reports we file or submit to the SEC is accumulated, communicated to management, and recorded, processed, summarized, and reported within the requisite time periods. Any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, management could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make a required public disclosure or filings regarding, among others, a

fundamental change or other type of disclosure or event. Further, judgments in determining what constitutes a required disclosure, such as a potential fundamental change, may be incorrect and result in potential regulatory enforcement, lawsuits, or delays in our Sponsor's ability to conduct offerings pursuant to Regulation , Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our Sponsor's control system, misstatements due to error or fraud may occur and not be detected. If our Sponsor is unable to successfully compete within the mineral rights business, our Sponsor will not be able to repay amounts under the Loan Agreement. The mineral rights business is highly competitive. This industry has a multitude of competitors. Our Sponsor's exploration activities will be focused on attempting to locate commercially viable mineral deposits. Many of our Sponsor's competitors have greater financial resources than our Sponsor. As a result, our Sponsor may experience difficulty competing with other businesses when investing in mineral rights. If third party operators conducting extraction and sale activities at properties in which we own mineral rights, or if our Sponsor or others are unable to retain qualified third-party operators to assist it in production activities if a commercially viable deposit is found to exist, the property may be unable to enter into production and Our Sponsor may not achieve profitable operations. If our Sponsor is unprofitable, we too may experience adverse effects on our operations if our Sponsor cannot repay amounts under the Loan Agreement. Because of factors beyond our Sponsor's control which could affect the marketability of minerals found, our Sponsor may experience difficulty selling any minerals it discovers which could result in fewer profits and difficulty repaying amounts under the Loan Agreement. Even if commercial quantities of mineral reserves are discovered, a ready market may not exist for the sale of these

reserves. Numerous factors beyond our Sponsor's control may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of minerals markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. These factors could inhibit our Sponsor's ability to sell minerals in the event that commercial amounts of minerals are found. If our Sponsor has difficulty selling the minerals it discovers, its profits may decline and ability to repay amounts under the Loan Agreement would suffer. As a result, our operations may be negatively impacted as well. Because our Sponsor will be subject to compliance with government regulation which may change, the anticipated costs of its exploration program may increase and consequently impact our Sponsor's ability to pay amounts under the Loan Agreement. State and local government bodies regulate mineral exploration or exploitation within that state. Our Sponsor may be required to obtain work permits, post bonds and perform remediation work for any physical disturbance to the land in order to comply with these regulations. While our Sponsor's planned exploration program budgets for regulatory compliance, there is a risk that new regulations could increase our Sponsor's costs of doing business, prevent it from carrying out its exploration program, and make compliance with new regulations unduly burdensome. Such regulatory restrictions could become expensive and time consuming for our Sponsor and negatively impact its ability to repay amounts under the Loan Agreement. A shortage of equipment and supplies for our Sponsor's third-party operators could adversely affect our Sponsor's ability to operate its business. Our Sponsor's third-party operators are dependent on various supplies and equipment in order to carry out its extraction operations. Any shortage of such supplies, equipment and parts could have a material adverse effect on their ability to carry out operations and therefore limit or increase the cost of production and, ultimately, our Sponsor's profitability. If our Sponsor achieves less profits, it may not be able to repay amounts under the Loan Agreement and our business could suffer as well as a result.

Our Sponsor will be contracting primarily with third parties to perform the actual extraction operations, and these third-party contractors may not perform as our Sponsor expects. Our Sponsor will be utilizing third-party contractors to perform the drilling and extraction operations on its assets to extract the natural resources it relies on to generate revenue. If the third-party contractors our Sponsor hires do not perform as it expects, our Sponsor may not generate as much of a profit as it anticipates. If we are also negatively impacted by our Sponsor achieving less profits, this could limit our ability to make interest and principal payments to Bondholders. Further, if the contractors are not competent with respect to environmental laws and risks, our Sponsor may face enforcement actions, lawsuits, civil or criminal fines or penalties, loss or reputation or other costly expenditures, all of which could damage its business operations. Reckless action on the part of incompetent contractors could also lead to damage to, or destruction of, our Sponsor's assets leading to delays in future actions and loss of revenue, among other costly outcomes. These costs could adversely impact our Sponsor's ability to repay amounts under the Loan Agreement. Our Sponsor is subject to significant governmental regulations, which affect its operations and costs of conducting its business and could potentially affect the Company's

own business prospects. The current and future operations of our Sponsor's business and that of the third-party contractors on our Sponsor's land are and will be governed by laws and regulations, including:

• laws and regulations governing mineral concession acquisition, prospecting, development, mining and production;

•laws and regulations related to exports, taxes and fees;

•labor standards and regulations related to occupational health and mine safety;

•environmental standards and regulations related to waste disposal, toxic substances, land use and environmental protection; and

•other matters.

Companies engaged in exploration activities often experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Failure of the third parties our Sponsor contracts with to comply with applicable laws, regulations and permits may result in enforcement actions, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. Our Sponsor may be required to compensate those suffering loss or damage by reason of our Sponsor's mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. These fines and penalties could be expensive and reduce our Sponsor's ability to repay amounts under the Loan Agreement. Our Sponsor's estimated mineral reserves quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserves estimates or the underlying assumptions will materially affect the quantities and present value of our Sponsor's reserves. Numerous uncertainties are inherent in estimating quantities of mineral reserves. The process of estimating mineral reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, engineering and economic data for each reservoir, including assumptions regarding future natural gas and oil prices, subsurface characterization, production levels and operating and development costs. For example, estimates of our Sponsor's reserves are based on the unweighted first-day-of-the-month arithmetic average commodity prices over the prior 12 months in accordance with SEC guidelines. Future prices received for production and costs may vary, perhaps significantly, from the prices and costs assumed for purposes of those estimates. Sustained lower prices will cause the 12-month unweighted arithmetic average of the first-of-the-day price for each of the 12 months preceding to decrease over time as the lower prices are reflected in the average price, which may result in the estimated quantities and present values of our Sponsor's reserves being reduced. To the extent that prices become depressed or decline materially from current levels, such conditions could render

uneconomic a portion of our Sponsor's proved reserves, and our Sponsor may be required to write down its proved reserves. These write-downs could reduce our Sponsor's ability to repay amounts under the Loan Agreement. Furthermore, SEC rules require that, subject to limited exceptions, proved undeveloped reserves may only be recorded if they relate to wells scheduled to be drilled within five years after the date of booking. This rule may limit our Sponsor's potential to record additional proved undeveloped reserves as our Sponsor pursues its drilling program through Francis1215LLC. To the extent that prices become depressed or decline materially from current levels, such condition could render uneconomic a number of our Sponsor's identified drilling locations, and our Sponsor may be required to write down its proved undeveloped reserves if our Sponsor does not drill those wells within the required five-year time frame or choose not to develop those wells at all. As a result, estimated quantities of reserves and projections of future production rates and the timing of development expenditures may prove to be inaccurate. Over time, our Sponsor may make material changes to its reserves estimates. Any significant variance in our Sponsor's assumptions and actual results could greatly affect our Sponsor's estimates of reserves, the economically recoverable quantities of minerals attributable to any particular group of properties, the classifications of reserves based on risk of nonrecovery and estimates of future net cash flows. In addition, estimates of probable reserves, and the future cash flows related to such estimates, are inherently imprecise and are more uncertain than estimates of proved reserves, and the future cash flows related to such estimates, but have not been adjusted for risk due to that uncertainty. Because of such uncertainty, estimates of probable reserves, and the future cash flows related to such estimates, may not be comparable to estimates of proved reserves, and the future cash flows related to such estimates, and should not be summed arithmetically with estimates of proved reserves and the future cash flows related to such estimates. When producing an estimate of the amount of minerals that are recoverable from a particular reservoir, an estimated quantity of probable reserves is an estimate of those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered. Estimates of probable reserves are also continually subject to revisions based on production history, results of additional exploration and development, price changes and other factors. When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir. Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves. See "General Information About our Company—Our Sponsor's Properties." The present value of future net revenues from our Sponsor's proved reserves, or PV-10, will not necessarily be the same as the current market value of our Sponsor's estimated proved reserves. You should not assume that the present value of future net revenues from our Sponsor's proved reserves is the current market value of our Sponsor's

estimated proved reserves. Our Sponsor currently bases the estimated discounted future net revenues from our Sponsor's proved reserves on the 12-month unweighted arithmetic average of the first-day-of-themonth price for the preceding 12 months. Actual future net revenues from our Sponsor's reserves will be affected by factors such as:

•actual prices we receive for natural gas and oil;

•actual cost of development and production expenditures;

•the amount and timing of actual production;

•transportation and processing; and

•changes in governmental regulations or taxation.

The timing of both our Sponsor's production and our Sponsor's incurrence of expenses in connection with the development and production of our Sponsor's properties will affect the timing and amount of actual future net revenues from proved reserves, and thus their actual present value. In addition, the 10% discount factor our Sponsor uses when calculating discounted future net revenues may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with our Sponsor or the natural gas and oil industry in general. Actual future prices and costs may differ materially from those used in the present value estimate. Estimated reserves do not represent or measure the fair value of the respective property or asset and our Sponsor may sell or divest an asset for much less than the amount of estimated reserves. Estimated proved reserves and estimated probable reserves do not represent or measure the fair value of the respective properties or the fair market value at which a property or properties could be sold. In the event of any such sale, proceeds to our Sponsor may be significantly less than the value of the estimated reserves. The development of our Sponsor's estimated proved undeveloped reserves may take longer and may require higher levels of capital expenditures than our Sponsor currently anticipates. Recovery of proved undeveloped reserves requires significant capital expenditures and successful drilling operations. Our Sponsor's reserves estimates assume that substantial capital expenditures will be made to develop non-producing reserves. Our Sponsor cannot be sure that the estimated costs attributable to our Sponsor's reserves are accurate. Our Sponsor

anticipates needing to raise additional capital, or causing Francis 1215 LLC to raise additional capital, but through Tokenized products we can, and plan to develop our Sponsor's estimated proved undeveloped reserves over the next five years and our Sponsor cannot be certain that additional financing will be available to it on acceptable terms, or at all. Additionally, sustained or further declines in commodity prices may require our Sponsor to revise the future net revenues of our Sponsor's estimated proved undeveloped reserves and may result in some projects becoming uneconomical. Further, our Sponsor's drilling efforts may be delayed or unsuccessful and actual reserves may prove to be less than current reserves estimates, which could have a material adverse effect on our Sponsor's financial condition, future cash flows and results of operations. The delay of and impact of higher levels of capital expenditures related to our Sponsor's development of

estimated proved undeveloped reserves may impact our Sponsor's ability to repay amounts under the Loan Agreement. Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on our Sponsor's business and consequently on our Company. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on our Sponsor, the third parties our Sponsor will contract with to perform the mining operations, our Sponsor's venture partners and our Sponsor's suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact our Sponsor's ability to compete with companies situated in areas not subject to such limitations. Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, our Sponsor cannot predict how legislation and regulation will affect our Sponsor's financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by our Sponsor or other companies in our Sponsor's industry could harm our Sponsor's reputation. The potential physical impacts of climate change on our Sponsor's operations are highly uncertain, and would be particular to the geographic circumstances in areas in which our Sponsor operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These impacts may adversely impact the cost, production and financial performance of our Sponsor and its ability to repay amounts under the Loan Agreement. Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation, could have a material adverse impact on our Sponsor's business and cause increases in capital expenditures or require abandonment or delays in exploration, which could impact our Sponsor's ability to repay amounts under the Loan Agreement. Our Sponsor's exploration and development activities are subject to environmental risks, which could expose our Sponsor to significant liability and delay, suspension or termination of its operations and adversely impact the Company as a result. The exploration and possible future development phases of our Sponsor's business will be subject to federal, state and local environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set out limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments, and a heightened degree of responsibility for companies and their officers, directors and employees. Future changes in environmental regulations, if any, may adversely affect the operations of the third-party contractors on our Sponsor's land as well as our Sponsor's business which could adversely affect our business. If our Sponsor fails to comply with any of the applicable environmental laws, regulations or permit requirements, our Sponsor could face regulatory or judicial

sanctions. Penalties imposed by either the courts or administrative bodies could delay or stop the operations of the third-party contractors or Francis 1215 on our Sponsor's land or require a considerable capital expenditure. Although our Sponsor, Francis 1215 and its third-party operators intend to comply with all environmental laws and permitting obligations in conducting its business, there is a possibility that those opposed to exploration and mining will attempt to interfere with our Sponsor's operations, whether by legal process, regulatory process or otherwise. Interference with our Sponsor's operations could have a detrimental effect on our financial condition if our Sponsor's ability to repay amounts under the Loan Agreement is jeopardized. Environmental hazards unknown to our Sponsor, which have been caused by previous or existing owners or operators of the properties, may exist on the properties in which our Sponsor holds an interest. It is possible that our Sponsor's properties could be located on or near the site of a Federal Superfund cleanup project. Although our Sponsor will endeavor to avoid such sites, it is possible that environmental cleanup or other environmental restoration procedures could remain to be completed or mandated by law, causing unpredictable and unexpected liabilities to arise. U.S. Federal Laws The Comprehensive Environmental, Response, Compensation, and Liability Act ("CERCLA"), and comparable state statutes, impose strict, joint and several liability on current and former owners and operators of sites and on persons who disposed of or arranged for the disposal of hazardous substances found at such sites. It is not uncommon for the government to file claims requiring cleanup actions, demands for reimbursement for government-incurred cleanup costs, or natural resource damages, or for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment. The Federal Resource Conservation and Recovery Act ("RCRA"), and comparable state statutes, govern the disposal of solid waste and hazardous waste and authorize the imposition of substantial fines and penalties for noncompliance, as well as requirements for corrective actions. CERCLA, RCRA and comparable state statutes can impose liability for clean-up of sites and disposal of substances found on exploration, mining and processing sites long after activities on such sites have been completed. The Clean Air Act, as amended, restricts the emission of air pollutants from many sources, including mining and processing activities. The mining operations conducted by third parties on our Sponsor's land may produce air emissions, including fugitive dust and other air pollutants from stationary equipment, storage facilities and the use of mobile sources such as trucks and heavy construction equipment, which are subject to review, monitoring and/or control requirements under the Clean Air Act and state air quality laws. New facilities of theirs may be required to obtain permits before work can begin, and existing facilities may be required to incur capital costs in order to remain in compliance. In addition, permitting rules may impose limitations on their production levels or result in additional capital expenditures in order to comply with the rules. The National
Environmental Policy Act ("NEPA") requires federal agencies to integrate environmental considerations into their decision-making processes by evaluating the environmental impacts of their proposed

actions, including issuance of permits to mining facilities, and assessing alternatives to those actions. If a proposed action could significantly affect the environment, the agency must prepare a detailed statement known as an Environmental Impact Statement ("EIS"). The U.S. Environmental Protection Agency, other federal agencies, and any interested third parties will review and comment on the scoping of the EIS and the adequacy of and findings set forth in the draft and final EIS. This process can cause delays in issuance of required permits or result in changes to a project to mitigate its potential environmental impacts, which can in turn impact the economic feasibility of a proposed project. The Clean Water Act ("CWA"), and comparable state statutes, imposes restrictions and controls on the discharge of pollutants into waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the Environmental Protection Agency ("EPA") or an analogous state agency. The CWA regulates storm water mining facilities and requires a storm water discharge permit for certain activities. Such a permit requires the regulated facility to monitor and sample storm water run-off from its operations. The CWA and regulations implemented thereunder also prohibit discharges of dredged and fill material in wetlands and other waters of the United States unless authorized by an appropriately issued permit. The CWA and comparable state statutes provide for civil, criminal and administrative penalties for unauthorized discharges of pollutants and impose liability on parties responsible for those discharges for the costs of cleaning up any environmental damage caused by the release and for natural resource damages resulting from the release. The Safe Drinking Water Act ("SDWA") and the Underground Injection Control ("UIC") program promulgated thereunder, regulate the drilling and operation of subsurface injection wells. EPA directly administers the UIC program in some states and in others the responsibility for the program has been delegated to the state. The program requires that a permit be obtained before drilling a disposal or injection well. Violation of these regulations and/or contamination of groundwater by mining related activities may result in fines, penalties, and remediation costs, among other sanctions and liabilities under the SWDA and state laws. In addition, third-party claims may be filed by landowners and other parties claiming damages for alternative water supplies, property damages, and bodily injury. Our Sponsor, Francis 1215 or its third-party operators could be subject to environmental lawsuits. Neighboring landowners and other third parties could file claims based on environmental statutes and common law for personal injury and property damage allegedly caused by the release of hazardous substances or other waste material into the environment on or around our Sponsor's properties. There can be no assurance that our Sponsor's defense of such claims will be successful. A successful claim against our Sponsor, Francis1215 or any of the third parties our Sponsor contracts with to conduct operations on its land could have an adverse effect on our business prospects, financial condition and results of operation if our Sponsor's ability to repay amounts under the Loan Agreement as a result is diminished. While the testing of our Sponsor's mineral right exploration software system has been successful to date, there can be no assurance that our Sponsor will be able to replicate the process, along with all of the expected economic advantages, on a large commercial scale. As of the date of this Memorandum, our Sponsor has built and operated its mineral right exploration software system on a limited scale. While our Sponsor believes that its development and testing to

date has proven the concept of its software, there can be no assurance that as our Sponsor commences large scale operations that our Sponsor will not incur unexpected costs or hurdles that might restrict the desired scale of its intended operations or negatively impact its business prospects, financial condition and results of operation. In addition, due to the relatively limited scale of use, there can be no assurance that the software will be accurate on an ongoing or continuous basis. If our Sponsor's software is unable to scale or is inaccurate, its business and operating results may suffer and our Sponsor's ability to repay amounts under the Loan Agreement may be impaired. Our Sponsor does not currently own any registered intellectual property rights relating to its software system and may be subject to competitors developing the same technology. As of the date of this Memorandum, our Sponsor does not own any registered intellectual property rights for our Sponsor's software system used in its mineral rights discovery, grading and estimates, and acquisition. Our Sponsor relies on trade secret laws to protect its software. There can be no assurance that these protections will be

available in all cases or will be adequate to prevent third parties from copying, reverse engineering or otherwise obtaining and using our Sponsor's software. Our Sponsor substantially relies on this software to identify profitable assets ahead of its competitors. If a competitor or anyone else replicates our Sponsor's software, then our Sponsor's business would materially suffer and its ability to repay any of its debts, including the obligations under the Loan Agreement, may be affected. Our Sponsor's software system may infringe on the intellectual property rights of others, which could lead to costly disputes or disruptions. The applied science industry is characterized by frequent allegations of intellectual property infringement. Though our Sponsor does not expect to be subject to any of these allegations, any allegation of infringement could be time consuming and expensive to defend or resolve, result in substantial diversion of management resources, cause suspension of operations or force our Sponsor to enter into royalty, license, or other agreements rather than dispute the merits of such allegation. If patent holders or other holders of intellectual property initiate legal proceedings, our Sponsor may be forced into protracted and costly litigation. Our Sponsor may not be successful in defending such litigation and may not be able to procure any required royalty or license agreements on acceptable terms or at all. Defending these disputes could prove costly and impair our Sponsor's ability to repay amounts under the Loan Agreement. Our Sponsor's business is sensitive to the price of oil and timing of oil production, which may have an adverse effect on our Sponsor's ability to repay amounts under the Loan Agreement. Our Sponsor is in the business of purchasing mineral rights and non-operated working interests in land in the United States, including the rights to drill for oil and gas. A decline in oil prices can have an adverse effect on the value of our Sponsor's interests in the land which will materially and adversely affect its ability to generate cash flows and in turn its ability to make principal and interest payments under the Loan Agreement. Further, a slowdown in the timing of oil production may reduce our Sponsor's ability to collect lease payments from leaseholders, which could limit our Sponsor's ability to make principal and interest payments under the Loan Agreement. Our Sponsor's investments are focused on acquiring properties where oil production is either ongoing or imminent. Therefore, very few of our Sponsor's investments

are expected to generate returns that substantially exceed our Sponsor's projections. Our Sponsor focuses on acquiring properties where oil production is ongoing or imminent, which our Sponsor believes allows it to better estimate the potential for predictable nearterm cash flows. As such, it is unlikely that production from such properties will substantially exceed our Sponsor's estimates and generate greater than expected revenue to our Sponsor. If our Sponsor's strategy of focusing on properties where oil production is ongoing or imminent does not perform as expected, it may be unable to timely repay amounts under the Loan Agreement. Our Sponsor's business could be adversely affected by unfavorable economic and political conditions, which in turn, can negatively impact our Sponsor's ability to make principal and interest payments under the Loan Agreement. Our Sponsor's future business and operations are sensitive to general business and economic conditions in the United States. National and regional economies and financial markets have become increasingly interconnected, which increases the possibilities that conditions in one country, region, or market might adversely impact issuers in a different country, region, or market. Major economic or political disruptions, such as the slowing economy in China, the war in Ukraine and sanctions on Russia, the Israeli-Hamas conflict and a potential economic slowdown in the United Kingdom and Europe, may have global negative economic and market repercussions. While our Sponsor does not have or intend to have operations in those countries, such disruptions may nevertheless cause fluctuations in oil prices, which could impact our Sponsor's ability to generate cash flows, and in turn, make payments under the Loan Agreement.

The lingering effects of the coronavirus (also known as the COVID-19 virus) pandemic and uncertainty in the financial markets may adversely affect our Sponsor's ability to generate revenues and ultimately repay amounts under the Loan Agreement. The long-term impact of the coronavirus pandemic on the U.S. and world economies remains unknown, but effects of the pandemic, as well as inflation and rising interest rates, has led to uncertainty in the financial markets that could significantly and negatively impact the global, national and regional economies, the length and breadth of which cannot currently be predicted. Extended disruptions to the global economy are likely to cause fluctuations in oil prices and the timing of oil production, which could have a material adverse effect on our Sponsor's ability to generate cash flow, which in turn could limit our Sponsor's ability to repay amounts under the Loan Agreement. Our Sponsor, through its investment in Francis1215 and future assignment of oil and gas properties to Francis1215 intends to conduct extraction activities. Such activities will pose additional risks to our Sponsor which could affect our Sponsor's ability to pay amounts under the Loan Agreement. Our Sponsor, through its investment in Francis1215 and future assignment of oil and gas properties to Francis1215 will place some of its assets into an entity taking on the risks of drilling operations. Francis1215 will face numerous risks while drilling, including: failing to place a well bore in the desired target producing zone; not staying in the desired drilling zone while drilling horizontally through the formation; failing to run its casing the entire length of the well bore; and not being able to run tools and other equipment consistently through the horizontal well bore. Risks Francis1215 may face while completing our wells include, but are not limited to, not being able to fracture stimulate the planned number of stages;

failing to run tools the entire length of the well bore during completion operations; not successfully cleaning out the well bore after completion of the final fracture stimulation stage; increased seismicity in areas near its completion activities; unintended interference of completion activities performed by us or by third parties with nearby operated or non operated wells being drilled, completed, or producing; and failure of our optimized completion techniques to yield expected levels of production. Further, many factors may occur that cause Francis1215 to curtail, delay or cancel scheduled drilling and completion projects, including but not limited to:

•abnormal pressure or irregularities in geological formations;

•shortages of or delays in obtaining equipment or qualified personnel;

•shortages of or delays in obtaining components used in fracture stimulation processes such as water and proppants;

•delays associated with suspending our operations to accommodate nearby drilling or completion operations being conducted by other operators;

•mechanical difficulties, fires, explosions, equipment failures or accidents, including ruptures of pipelines or storage facilities, or train derailments;

restrictions on the use of underground injection wells for disposing of waste water from oil and gas activities;

•political events, public protests, civil disturbances, terrorist acts or cyber-attacks;

•decreases in, or extended periods of low, crude oil and natural gas prices;

•title problems;
•environmental hazards, such as uncontrollable flows of crude oil, natural gas, brine, well fluids, hydraulic fracturing fluids, toxic gas or other pollutants into the environment, including groundwater and shoreline contamination;

•adverse climatic conditions and natural disasters;

•spillage or mishandling of crude oil, natural gas, brine, well fluids, hydraulic fracturing fluids, toxic gas or other pollutants by us or by third party service providers;

•limitations in infrastructure, including transportation, processing, refining and exportation capacity, or markets for crude oil and natural gas; and

•delays imposed by or resulting from compliance with regulatory requirements including permitting.

Francis1215 is not insured against all risks associated with our business. Francis1215 may elect to not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented or for other reasons. In addition, pollution and environmental risks are generally not fully insurable. Losses and liabilities arising from any of the above events could reduce the value of our Sponsor's capital contributions to

Francis1215, increase the need for our Sponsor to provide additional capital to Francis1215, and otherwise harm our Sponsor's financial position, which could adversely affect its ability to pay amounts under the Loan Agreement. Any cybersecurity-attack or other security breach of our technology systems, or those of third-party vendors we rely on, could subject us to significant liability and harm our business operations and reputation. Cybersecurity attacks and security breaches of our technology systems, including those of our clients and third-party vendors, may subject us to liability and harm our business operations and overall reputation. Our operations rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Threats to information technology systems associated with cybersecurity risks and cyber incidents continue to grow, and there have been a number of highly publicized cases involving financial services companies, consumer-based companies and other organizations reporting the unauthorized disclosure of client, customer or other confidential information in recent years. Cybersecurity risks could disrupt our operations, negatively impact our ability to compete and result in injury to our reputation, downtime, loss of revenue, and increased costs to prevent, respond to or mitigate cybersecurity events. Although we have developed, and continue to invest in, systems and processes that are designed to detect and prevent security breaches and cyber-attacks, our security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions that could result in unauthorized disclosure or loss of sensitive information; damage to our reputation; the incurrence of additional expenses; additional regulatory scrutiny or penalties; or our exposure to civil or criminal litigation and possible financial liability, any of which could have a material adverse effect on our business, financial condition and results of operations. Risks Related to Our Lending Activities The Loan Agreement exposes us to risks associated with debt-oriented mineral rights investments generally. We seek to loan capital to our Sponsor. As such, we are subject to, among other things, risk of default on the amounts under the Loan Agreement by our Sponsor, which derives our Sponsor paying debt service and the underlying mineral rights investments. Any deterioration of mineral rights fundamentals generally, and in the U.S. in particular, could negatively impact our performance by making it more difficult for our Sponsor to repay amounts under the Loan Agreement to satisfy its debt payment obligations, increasing the default risk applicable of our Sponsor, and/or making it more difficult for us to generate attractive risk-adjusted returns. Prepayment of amounts under the Loan Agreement by our Sponsor would result in the Company prepaying the Bonds. Our business is solely to advance capital to our Sponsor pursuant to the Loan Agreement secured by interest on certain oil and gas producing properties of our Sponsor, and we do not expect to

engage in any other business. In periods of declining interest rates and/or credit spreads, prepayment rates on loans generally increase. As a result of a decline in interest rates, our Sponsor may elect to prepay amounts under the Loan Agreement. Rather than reinvesting any proceeds of such prepayment, we anticipate we would prepay the Bonds having the same terms as the applicable advances prepaid by our Sponsor, which would result in investors in those Bonds receiving interest payments for a shorter period than the full term

of such Bonds. The Loan Agreement is not diversified with respect to the borrower. Advances under the Loan Agreement are not diversified with respect to the borrowers of such amounts. As such, our income stream from the advances made the Loan Agreement will be entirely dependent on our Sponsor's and Francis1215 operational success and ability to maintain its own income stream to make payments on amounts under the Loan Agreement. Any failure of any borrower to generate sufficient income, either through its own management or by means of any adverse economic, political or other conditions, could impact its ability to satisfy its obligations to us under the Loan Agreement. The value of our Bondholder's investments could vary more widely than if we made loans to a wider variety of borrowers. Non-conforming and non-investment grade rated loans involve increased risk of loss. The Loan Agreement may not conform to conventional loan standards applied by traditional lenders to businesses similar to our Sponsor. Neither we nor our Sponsor are in the business of lending to third parties engaged in our Sponsor's business and, therefore, we cannot be certain as to whether the terms conform to conventional loan standards. Private loans often are not rated by credit rating agencies, and we do not expect to seek a rating for the Loan Agreement; however, we anticipate that if we sought any such rating, it would be non-investment grade. Non-investment grade ratings typically result from the overall leverage of the loans, the lack of a strong operating history for the assets underlying the loans, the borrowers' credit history, the underlying assets' cash flow or other factors. As a result, the Loan Agreement should be expected to have a higher risk of default and loss than investment-grade rated assets. Any loss we incur may be significant and may adversely affect our results of operations and financial condition.

USE OF PROCEEDS The Company's broker/dealer of record, TBD on first sale of bonds -the group will is on standby to issue bonds on as need basis(the "Managing Broker-Dealer") will receive a maximum broker-dealer fee of up to 5% of the gross proceeds of the offering (the "Broker-DealerFee"). The Broker-Dealer Fee will be paid by our Sponsor to the Managing Broker-Dealer as our broker/dealer of record. Certain of our Sponsor's personnel, including, our Sponsor's Managing Director of Capital Markets, are licensed registered representatives of the Managing Broker-Dealer and will be paid a portion of the Broker-Dealer Fee as sales compensation with respect to the sales of the Bonds. Francis1215 will be paid up to 4.0% of the gross proceeds of the offering out of the BrokerDealer Fee. We plan to use all of the net proceeds from this offering to provide advances under the Loan Agreement, which advances will be used for (i) purchasing mineral rights and non-operated working interests, as well as additional asset acquisitions, (ii) financing potential drilling and exploration operations of one or more subsidiaries, which may include Francis1215, and (iii) other working capital needs. The table below demonstrates our anticipated uses of offering proceeds, but the table below does not require us to use offering proceeds as indicated. Our actual use of offering proceeds will depend upon market conditions, among other considerations. Maximum Offering Amount* Amount Percent

Gross offering proceeds ……$300,000,000
Less offering expenses:

Broker-Dealer
Fee(1)(2)……..$15,000,000
Net Proceeds(2) ……$285,000,000
Amounts and percentages may vary from the above, provided that the selling commission and expenses will not exceed 5% of gross offering proceeds.

Any Broker-Dealer Fee will not be paid by the Company, it will be paid by our Sponsor. If the Maximum Offering Amount of Bonds is sold, the maximum Broker-Dealer Fee paid by our Sponsor will be $15,000,000. The Broker-Dealer Fee may be less than 5% of the gross proceeds if the Company allows. Certain of our personnel, including Mr. Dietz, who are representatives of the Managing Broker-Dealer will be paid a portion of the Broker-Dealer Fee of up to 4.0% of the gross proceeds of the sale of the Bonds. See "Plan of Distribution" for more information.

Francis1215 will be responsible for paying the Broker-Dealer Fee and offering expenses. We will not use any of our offering proceeds to pay such expenses. The Broker-Dealer Fee includes compensation for acting as our broker/dealer of record and for expenses incurred in connection with marketing the Bonds.

PLAN OF DISTRIBUTION

Who May Invest See "Who May Invest" for further information regarding your eligibility to purchase Bonds. The Offering We are offering a maximum offering amount of $300,000,000 aggregate principal amount of the bonds at a price of $1,000 per bond. As of the date of this Memorandum, the Company had $0 of Existing Bonds outstanding, and it is hereby offering an additional amount of Bonds up to the maximum amount of $300,000,000 in the aggregate. The minimum purchase amount is $500,000 for the Bonds, However, the Company, in its sole discretion, reserves the right to accept smaller purchase amounts than the applicable Minimum Purchase. The Company reserves the right to increase the Maximum Offering Amount by $100,000,000 for a total of $400,000,000 in the Company's sole discretion by supplement to this Memorandum. This Offering will terminate on the earliest of: (i) the date we sell the Maximum Offering Amount; (ii) the second anniversary of the date of this Memorandum, as may be extended by up to one year by the Company by supplement hereto; or (iii) such date upon which we determine to terminate the offering in our sole discretion. The Company may elect to extend the maturity date of all or any portion of the Bonds, including all or any portion of any series, for up to two additional one year periods in the Company's sole discretion. We have arbitrarily determined the selling price of the Bonds and such price bears no relationship to our book or asset values, or to any other established criteria for valuing issued or outstanding Bonds. The Bonds are being offered on a "commercially reasonable efforts" basis, which means generally that our broker/dealer of record is required to use only its commercially reasonable efforts to sell the Bonds and it has no firm commitment or obligation to purchase any of the Bonds. The offering will continue until the offering termination. We will conduct closings on at least a weekly basis assuming there are funds to close, until the offering termination. If either day falls on a weekend or holiday, the closing will be conducted on the next business day. Once a

subscription has been submitted and accepted by the Company, an investor will not have the right to request the return of its subscription payment prior to the next closing date. If subscriptions are received on a closing date and accepted by the Company prior to such closing, any such subscriptions will be closed on that closing date. If subscriptions are received on a closing date but not accepted by the Company prior to such closing, any such subscriptions will be closed on the next closing date. It is expected that settlement will occur two business days following each closing date. Two business days after the closing date, offering proceeds for that closing will be disbursed to us and the Bonds purchased will be issued to the investors in the offering. If the Company is dissolved or liquidated after the acceptance of a subscription, the respective subscription payment will be returned to the subscriber. The offering is being made on commercially reasonable efforts basis through the Managing BrokerDealer, our broker/dealer of record. Broker-Dealer and Compensation We Will Pay for the Sale of the Bonds Our Sponsor will pay the BrokerDealer Fee of up to 5% of the gross proceeds of the offering. The Broker-Dealer Fee will be paid to the Managing Broker-Dealer as our broker/dealer of record. Total underwriting compensation to be received by or paid to participating FINRA member Managing BrokerDealers, including, without limitation, the Broker-Dealer Fee, will not exceed 5% of proceeds raised with the assistance of those participating FINRA member Managing Broker-Dealers. Certain of our Sponsor's employees, including Mr. Dietz, are registered as associated persons of our Sponsor's, and will be paid a portion of the Broker-Dealer Fee as sales compensation with respect to the sales of our Bonds. Mr. Dietz will be paid up to 4.0% of the gross proceeds of the offering out of the Broker-Dealer Fee. In addition, as part of our Sponsor's previous engagement with the Managing Broker-Dealer , our Sponsor's paid the Managing Broker-Dealer a minor one-time advance set up fee of $5,000 to cover reasonable out-of-pocket accountable expenses that were anticipated to be incurred. Set forth below are tables indicating the estimated compensation and expenses that have been or may be paid in connection with the offering to our broker-dealers.

We have agreed to indemnify our broker/dealer of record and selected registered investment advisors, against certain liabilities arising under the Securities Act. However, the SEC takes the position that indemnification against liabilities arising under the Securities Act is against public policy and is unenforceable. In accordance with the rules of FINRA, the table above sets forth the nature and estimated amount of all items that will be viewed as "underwriting compensation" by FINRA that are anticipated to be paid by us in connection with the offering. The amounts shown assume we sell all the Bonds offered hereby. It is illegal for us to pay or award any commissions or other compensation to any person engaged by you for investment advice as an inducement to such advisor to advise you to purchase the Bonds; however, nothing herein will prohibit a registered brokerdealer or other properly licensed person from earning a sales commission in connection with a sale of the Bonds.

Discounts for Bonds Purchased by Certain Persons Our Sponsor may pay reduced or no Broker-Dealer Fees in connection with the sale of Bonds in this offering to:

•registered principals or representatives of our dealer-manager or a participating broker (and immediate family members of any of the foregoing persons);

•our Sponsor or affiliate's employees, officers and directors or those of our Managers, or the affiliates of any of the foregoing entities (and the immediate family members of any of the foregoing persons), any benefit plan established exclusively for the benefit of such persons or entities, and, if approved by our board of directors, joint venture partners, consultants and other service providers;

•clients of an investment advisor registered under the Investment Advisers Act or under applicable state securities laws (other than any registered investment advisor that is also registered as a broker-dealer, with the exception of clients who have "wrap" accounts which have asset based fees with such dually registered investment advisor/brokerdealer); or

•persons investing in a bank trust account with respect to which the authority for investment decisions made has been delegated to the bank trust department.

For purposes of the foregoing, "immediate family members" means such person's spouse, parents, children, brothers, sisters, grandparents, grandchildren and any such person who is so related by marriage such that this includes "step-" and "-in-law" relations as well as such persons so related by adoption. In addition, participating brokers contractually obligated to their clients for the payment of fees on terms inconsistent with the terms of acceptance of all or a portion of the Broker-Dealer Fees may elect not to accept all or a portion of such compensation. In that event,

such Bonds will be sold to the investor at a per Bond purchase price, net of all or a portion of selling commissions. The net proceeds to us will not be affected by reducing or eliminating Broker-Dealer Fees payable in connection with sales to or through the persons described above. Purchasers purchasing net of some or all of the Broker-Dealer Fees will receive Bonds in principal amount of $1,000 per Bond purchased. Either through this offering or subsequently on any secondary market, affiliates of our Company may buy Bonds if and when they choose. There are no restrictions to these purchases. Affiliates that become Bondholders will have rights on parity with all other Bondholders. We reserve the right to sell Bonds at a discount of up to ten percent (10%) of the offering price of $1,000 per Bond to certain investors purchasing 100 Bonds or more. Any discounts applied to the purchase price of the Bonds will reduce net proceeds to the Company.

How to Invest Subscription Agreement All investors will be required to complete and execute a subscription agreement. The subscription agreement may be submitted through invest.magnusfund.io in form and should be delivered to Magnus Capital Opportunity Foundation, Generally, when submitting a subscription agreement electronically, a prospective investor will be required to agree to various terms and conditions by checking boxes and to review and electronically sign any necessary documents. You may pay the purchase price for your bonds by check, ACH or wire of your subscription purchase price in accordance with the instructions in the subscription agreement. An investor must purchase at least the applicable Minimum Purchase; however, the Company, in its sole discretion,

reserves the right to accept smaller purchase amounts. All checks should be made payable to “Francis 1215 LLC.” By completing and executing your subscription agreement, you will also acknowledge and represent that you have received a copy of this Memorandum, you are purchasing the Bonds for your own account and that your rights and responsibilities regarding your Bonds will be governed by the applicable Form of Bond included as an exhibit to this Memorandum. You will be required to represent and warrant in your Subscription Agreement or order form that you are an “accredited investor” as defined under Rule 501 of Regulation D. We are required as an issuer under SEC Rule 506(c) to take “reasonable steps” to verify that each investor in this offering is accredited. The Company, the Managing Broker-Dealer or the Company’s affiliates will perform the accredited investor verification required by SEC Rule 506(c) for this offering, using verification methods deemed to be reasonable and satisfactory under Rule 506(c), and will provide a certificate prior to each closing certifying the accredited investor status of each investor. See “Who May Invest” for more information. By completing and executing your Subscription Agreement or order form you will also acknowledge and represent that you have received a copy of this Memorandum, you are acquiring the Bonds for your own account and that your rights and responsibilities regarding your Bonds will be governed by the Form of Bond, each included as an exhibit to this Memorandum. Our Company will conduct closings, the “closing dates,” and each, a “closing date,” in this offering on at least a weekly basis assuming there are funds to close until the offering termination. Once a subscription has been submitted and accepted by the Company, an investor will not have the right to request the return of its subscription payment prior to the next closing date. If subscriptions are received on a closing date and accepted by the Company prior to such closing, any subscriptions will be closed on the closing date. If any such subscriptions are received on a closing date but not accepted by the Company prior to such closing, any such subscriptions will be closed on the next closing date. It is expected that settlement will occur on the same day as each closing date. If the Company is dissolved or liquidated after the acceptance of a subscription, the respective subscription payment will be returned to the subscriber. Book-Entry, Delivery and Form The Bonds purchased will be registered in book-entry form on the books and records of the Company. The ownership of Bonds will be reflected on the books and records of the Company.

Book-Entry Format Under the book-entry format, the Company, as paying agent, will pay interest or principal payments directly to beneficial owners of Bonds. Registrar and Paying Agent The Company is the designated paying agent with respect to the Bonds, and as such, will make payments on the Bonds. The Bonds will be issued in book-entry form only, evidenced by global certificates.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR SPONSOR All of the net proceeds of this offering will to be used to provide advances under the Loan Agreement. The payment of or reimbursement of selling commissions and other fees, expenses and uses as described throughout this offering circular will be made by our Sponsor. The Company will experience a relative increase in liquidity as we receive additional proceeds from the sale of Bonds and a relative decrease in liquidity as we use the net offering proceeds to provide advances to our Sponsor under the

Loan Agreement. The Company expects the net proceeds of this offering will be kept briefly, if at all, in demand deposit accounts at a domestic insured depository prior to deployment as an advance to our Sponsor under the Loan Agreement. As such, the financial information presented in this section and the financial statements pertain to our Sponsor. This discussion contains forward-looking statements and actual results may differ materially from those suggested by its forward-looking statements for various reasons, including those discussed in the "Risk Factors" and "Cautionary Statement Regarding ForwardLooking Statements" sections of this Memorandum. General our Sponsor conducts operations from 3 physical offices located respectively Florida and Texas Cayman Islands. Our Sponsor is focused on oil and gas operations and executing on a three prong strategy involving the acquisition of royalty assets, acquisition of non-operated working interest assets, and direct drilling operations conducted through our Sponsor's wholly owned subsidiary, Francis 1215 LLC. Pursuant to this strategy, our Sponsor purchases a variety of assets, including mineral interests, leasehold interests, overriding royalty interests, and perpetual royalty interests. While our Sponsor has primarily targeted assets in the Williston Basin, Permian Basin, Powder River, and Denver Julesburg Basin, it is agnostic to geography and prioritizes asset potential in executing on its acquisition strategy. Our Sponsor leverages its specialized software system and experienced management team to identify asset opportunities that fit its desired criteria and potential for returns. Our Sponsor prioritizes assets with potential for high monthly recurring cashflows and primarily targets assets that have a potential payback period of 12-48 months and longterm (often more than 20 years) lifetime cashflows. To help identify and prioritize assets with such potential, our Sponsor developed a software system in 2019. The software system is designed to be scalable and process inputs from a variety of internal and external sources, and supports our Sponsor's ability to identify, analyze, underwrite, and formally transact in the purchasing of oil and gas assets. The software system operates across three key facets of our Sponsor's business: (1) asset discovery; (2) asset grading and estimates; and (3) asset acquisition. Following the acquisition of an asset, our Sponsor typically shares in the proceeds of the natural resources extracted and sold by a third-party oil and gas operator. While our Sponsor anticipates that extraction activities at its assets will continue to be primarily performed by third parties in the near term, our Sponsor also expects to increase the extent to which Francis 1215 is utilized to drill and operate producing wells, beginning with oil and gas properties contributed to Francis 1215 by our Sponsor. While running extraction activities through Francis1215 will require significantly more capital than partnering with a third-party oil and gas operator, our Sponsor believes that this operating model will provide greater control of cashflow and increases the potential for shorter payback periods as compared to returns on royalty assets and non-operating working interest assets. Our Sponsor believes that the addressable markets in its focus regions provide a significant opportunity for continued growth and scale. Over time, our Sponsor anticipates expanding beyond these focus regions. Francis1215 is a private, family and employee-owned company.

Our Sponsor views its methods and ability to capitalize our Sponsor as unique competitive advantages over its peers. If our capital raising efforts continue at our recent pace, or

increase in pace, Management believes revenues will grow at a similar pace over the next several years as additional capital is deployed and our Sponsor continues to generate compounding revenue streams. Our management believes revenues will continue to grow substantially throughout 2025 and into 2026 as (1) increases in commodity prices are realized, (2) properties our Sponsor acquired in 2025 begin producing revenues and (3) Francis1215 investments begin to generate revenues. The operating expenses of our Sponsor will continually grow in relation to assets in the portfolio due to the relational manner of mineral rights royalties to depletion and various oil and gas taxes and expenses (owner deductions, severance taxes and ad valorem taxes) as well as increased costs of maintaining and improving mineral, leasehold, and capital acquisition systems. A large portion of the operating expenses of our Sponsor are related to building for future growth – .Our Sponsor incurred substantial up-front fees to raise capital through our Regulation A and Regulation D offerings. Those fees include advertising and marketing, fees to brokerdealers and registered representatives, legal fees related to regulatory filings and other related up-front fees. The weighted-average maturity of the bonds sold through these offerings is approximately four years. The expenses related to the capital raise programs are discretionary and could be eliminated immediately, if markets or needs change. Our Sponsor believes the long-term benefit of the capital that our Sponsor is raising is critical to our Sponsor's growth and will lead to substantially increased revenues in the coming periods. Net Loss

Our Sponsor is excited and encouraged by the success of its capital raising program. Our Sponsor believes it has three very powerful competitive advantages to its peers: its software, its ability to capitalize on opportunities through Francis1215, and its unique (in our Sponsor's industry) successful capital raising program. Management believes that coupling those competitive advantages has the potential to create a sustainable and attractive growth vehicle that can elevate our Sponsor to an industry leader in the mineral rights, operated and non-operated working interest domains.

GENERAL INFORMATION ABOUT OUR COMPANY Francis 1215 LLC a Florida Limited Liability Co, Magnus Capital Tokenized Energy Opportunity Foundation, a Cayman Island Foundation undertake financing efforts under Regulation D and CIMA and subsequently loan amounts to and from our Sponsor and/or its subsidiaries as needed. We offer high net worth individuals unsecured bonds pursuant to an offering under Rule 506(c) of Regulation D and do not expect to undertake financing efforts under Regulation A. In connection with our financing efforts, we entered into a loan agreement with our Sponsor, dated September 14, 2023 (as amended, the Loan Agreement"), which provides for us to loan up to a maximum principal amount of $285,000,000 in one or more advances to the Company and Francis 1215 LLC and its oil& gas operators ("Francis 1215"), and is secured by Corporate Insurance notes (junior to our Sponsor's Credit Agreement (as defined herein) or other senior secured indebtedness) on certain properties owned by our Sponsor and its subsidiaries. For example, these notes are junior to our Sponsor's $300,000,000 revolving credit available under the Sponsor's Commercial Credit Agreement, dated as of August 1st 2025 (the "Credit Agreement"), by and the Sponsor and Francis 1215 LLC, as borrowers, and all other subsidiaries of our Sponsor, including us, as guarantors, which is secured by a

senior security interest in all of the assets of the Sponsor and its subsidiaries, including us. The proceeds of advances under the Loan Agreement will be used for (i) purchasing mineral rights and non-operated working interests, as well as additional asset acquisitions, (ii) financing potential drilling and exploration operations of one or more subsidiaries, which may include Francis 1215, and (iii) other working capital needs. The timing of any advances under the Loan Agreement shall be contingent upon our receipt of proceeds from the sale of Bonds. Each advance may have a different term of maturity and interest rate to track the terms of the respective Bonds sold prior to such advance and to which such advance relates. To the extent the Bonds are accelerated or prepaid, in whole or in part, the Sponsor shall be obligated to pay or prepay, in whole or in part, all or any part of any outstanding indebtedness under the Loan Agreement so as to satisfy the obligations and terms of the accelerated or prepaid Bonds. The Loan Agreement is not a revolving facility and the Sponsor may not reborrow amounts repaid. We will use any amounts repaid under the Loan Agreement to repay the corresponding Bonds. This summary is qualified in its entirety by the Loan Agreement which is filed as an exhibit to the offering statement of which this offering circular is a part. Summary of the Magnus Capital Opportunity Foundation Limited Liability Company Agreement The Company is governed by the Magnus Capital Opportunity Foundation Limited Liability Company Agreement (the "LLC Agreement"), dated August 1st 2025. The following summarizes some of the key provisions of the LLC Agreement. This summary is qualified in its entirety by the LLC Agreement itself, which is included as an exhibit attached hereto. Management The LLC Agreement vests exclusive authority over the business and affairs of the Company in our Sponsor. Except as otherwise set forth in the LLC Agreement, our Sponsor shall have all rights and powers on behalf and in the name of the Company to perform all acts necessary and desirable to the objects and purposes of the Company. All determinations, decisions, and actions made or taken by our Sponsor shall be conclusive and binding upon the Company. Classes of Ownership The limited liability company interests in the Company consist of a class of common limited liability company interests held by our Sponsor.

Distributions Our Sponsor shall cause the Company to distribute 100% of the Company's distributable cash to our Sponsor; provided however, that until such time as all obligations under any bonds issued by the Company pursuant to an offering thereof have been repaid in full, the Company shall not make any distributions to our Sponsor other than as required to offset the Company's tax liability. Outside Business Our Sponsor may engage in any business venture of any nature, similar or dissimilar to the business of the Company. The Company shall have no rights by virtue of the LLC Agreement to income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Company, shall not be deemed wrongful or improper. Our Sponsor shall not be obligated to present any particular investment opportunity to the Company and our Sponsor shall have the right to take for its own account any such particular investment opportunity.

Organizationally, our Sponsor is broken into five departments made up of land and title, operations, technology, sales and marketing, and finance. Each business unit collaborates both internally and with the other departments to create both autonomy and a team environment.

Oil and Natural Gas Data Definitions. Set forth below are certain definitions commonly used in the oil and natural gas industry and useful in understanding our Sponsor's reserves and related disclosures. "Bbl" refers to one stock tank barrel, of 42 U.S. gallons liquid volume, used in this Memorandum in reference to crude oil or other liquid hydrocarbons. "Btu" refers to British thermal unit, which is the heat required to raise the temperature of one pound of liquid water by one degree Fahrenheit. "MMBtu" refers to one million Btus. "Probable reserves" refers to those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered. When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates. Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir. Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves. The proved plus probable estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects. Where direct observation has defined a highest known oil ("HKO") elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations. "Proved reserves" refers to quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible — from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations — prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation.

The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. The area of the reservoir considered as proved includes: (i) the area identified by drilling and limited by fluid contacts, if any, and (ii) adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data. In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons as seen in a well penetration unless geoscience, engineering, or

performance data and reliable technology establishes a lower contact with reasonable certainty. Where direct observation from well penetrations has defined an HKO elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty. Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when: (a) successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (b) the project has been approved for development by all necessary parties and entities, including governmental entities. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions. Evaluation and Review of Estimated Proved and Probable Reserves Our Sponsor's proved and probable reserves estimates reported herein are for six (6) months The technical persons primarily responsible for preparing the estimates set forth in the reserves reports incorporated herein each have over 15 years of industry experience. Each meet or exceed the education, training, and experience requirements set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers and are proficient in judiciously applying industry standard practices to engineering and geoscience evaluations as well as applying SEC and other industry reserves definitions and guidelines. Our Sponsor estimates the quantity or perceived cashflow of proved undeveloped reserves for financial reporting purposes in accordance with the 5-year rule as set forth by the SEC. Most proved undeveloped properties are operated by our Sponsor's subsidiary, Francis 1215, whereby our Sponsor and Francis1215 have the property on the most current drill schedule. Nonoperated proved undeveloped properties are properties whereby our Sponsor has a high confidence that the property will be converted to a producing property within 5 years based on public and non-public data sources. As it relates to a majority of the mineral and non-operated working interest holdings by our Sponsor, our Sponsor does not have the ability to accurately estimate when or if undeveloped reserves under its holdings will be extracted and instead takes the conservative approach of only estimating the reserves that are either currently producing or have a clear line of sight to being extracted for proved reserves with the remainder of the reserves being categorized as probable reserves.

Estimates of probable reserves, and the future cash flows related to such estimates, are inherently imprecise and are more uncertain than estimates of proved reserves, and the future cash flows related to such estimates, but have not been adjusted for risk due to that uncertainty. Because of such uncertainty, estimates of probable reserves, and the future

cash flows related to such estimates, may not be comparable to estimates of proved reserves, and the future cash flows related to such estimates, and should not be summed arithmetically with estimates of proved reserves, and the future cash flows related to such estimates. When producing an estimate of the amount of natural gas and oil that is recoverable from a particular reservoir, an estimated quantity of probable reserves is an estimate of those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered. Estimates of probable reserves are also continually subject to revisions based on production history, results of additional exploration and development, price changes and other factors. When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir. Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves. The reserves information in this disclosure represents only estimates. Reserve evaluation is a subjective process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact manner. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. In addition, results of drilling, testing and production subsequent to the date of an estimate may lead to revising the original estimate. Accordingly, initial reserve estimates are often different from the quantities of oil and natural gas that are ultimately recovered. The meaningfulness of such estimates depends primarily on the accuracy of the assumptions upon which they were based. Except to the extent we acquire additional properties containing proved reserves or conduct successful exploration and development activities or both, our Sponsor's proved reserves will decline as reserves are produced. In addition, we anticipate that the preparation of our Sponsor's proved reserve estimates are completed in accordance with internal control procedures, including the following: • • • • •

Review and verification of historical production data, which data is based on actual production as reported by the operators of our properties;

Our Sponsor's Market Opportunity Our Sponsor focuses on specific subsets of mineral assets and leasehold assets in the United States. From a market perspective, our Sponsor focuses on high, attractive and defined basins, currently serviced by top tier operators, with assets that it believes will generate high near-term cash flow. All the assets which our Sponsor seeks to acquire are purchased at what our Sponsor's management believes are attractive price points and have a liquidity profile that is desirable in the secondary market. The assets our Sponsor seeks to acquire have near term payback and long-term residual cash flow upside

Our Sponsor's Business Strategy Our Sponsor has developed a process for the identification, acquisition and monetization of its assets. Below is a general illustration of our Sponsor's process: 1.

Our Sponsor's proprietary software provides market intelligence to identify and rank potential assets and support our Sponsor's acquisition strategy and functions.

Our Sponsor makes contact with the owner of the asset and begins the conversation on how it can help unlock value of the property for the owner.

Our Sponsor provides the potential seller with a packet detailing our Sponsor, industry data, property valuation and an all-cash offer based on the valuation.

Our Sponsor's sales team engages the potential seller to discuss the terms of the sale and the value of the property.

Our Sponsor handles the closing of the property and the property is migrated to its portfolio.

Our Sponsor utilizes its land rights to extract natural resources from the property through a third-party operator or extraction operations through Francis1215.

Our Sponsor collects a portion of the revenue generated from the natural resources extracted and sold by the third-party operator. Our Sponsor's share of the revenue depends on the type of asset, either mineral rights or non-operated working interests, and the underlying contract with the third-party operator.
Our Sponsor continues to operate the property to extract the minerals through third-party operators or Francis1215 until it decides to sell the property rights.

Separate from the ordinary royalty income assets, our Sponsor maintains a structural discipline to participate in non-operated working interests, in part for their tax benefits. Due to favorable IRS treatment, marrying this asset class to its pure royalty income creates an augmented "write off" strategy whereby the balanced portfolio effectively creates little to no annual taxable income. Functionally, the transactions our Sponsor enters into are very similar to traditional real estate transactions with respect to the mechanics. A seller agrees to sell to our Sponsor, a purchase and sale agreement is executed, earnest money is conveyed, manual diligence and title review is conducted as an audit function prior to closing. Upon closing the funds are conveyed to the seller and the title is recorded in the respective jurisdiction by our Sponsor. At this point, the operator is directed to convey all future payments to our Sponsor at the defined rate. In most cases, our interaction with the operator is more administrative and clerical in nature unless it is a working interest or an alternative scenario. Assets can produce for upwards of 20 years however there is a considerable regression/depletion curve that commences over the life of the asset. As such, our Sponsor tends to focus on wells that have recently began producing or are likely to have new production in the near term. Our Sponsor focuses on a closed loop process from discovery to acquisition to long term balance sheet ownership. The recurring nature of these cash flows allows for considerable scale without material increases in fixed overhead.

Phoenix Operating While our Sponsor anticipates that extraction activities at its assets will continue to be primarily performed by third parties in the near term, our Sponsor also expects to increase the extent to which its wholly owned subsidiary, Francis1215, is utilized to drill and operate producing wells beginning with oil and gas properties contributed to Francis 1215 by our Sponsor. Francis1215 has its own employees who are not employees of our Sponsor or us. Our Sponsor is and will remain the sole voting member and manager of Francis1215, and retains the substantial majority of the economic interest in Francis1215, subject only to a small number of minority, non-voting membership interests granted by Francis1215 to its employees.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS The following discussion is a summary of certain material U.S. federal income tax consequences relevant to the purchase, ownership and disposition of the Bonds issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax consequences. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), current, temporary and proposed U.S. Treasury regulations issued under the Code, or collectively the Treasury Regulations, the legislative history of the Code, Internal Revenue Service ("IRS") rulings, pronouncements, interpretations and practices, and judicial decisions now in effect, all of which are subject to change at any time. Any such change may be applied retroactively in a manner that could adversely affect a Bondholder. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such Bondholder's particular circumstances or to Bondholders subject to special rules, including, without limitation: •
a broker-dealer or a dealer in securities or currencies;

•an S corporation;

•a bank, thrift or other financial institution;

•a regulated investment company or a real estate investment trust;

•an insurance company;

•a tax-exempt organization;

•a person subject to the alternative minimum tax provisions of the Code;

•a person holding the Bonds as part of a hedge, straddle, conversion, integrated or other risk reduction or constructive sale transaction;

•a partnership or other pass-through entity;

•a person deemed to sell the Bonds under the constructive sale provisions of the Code;

•a "controlled foreign corporation," "passive foreign investment company," and corporation that accumulate earnings to avoid U.S. federal income tax;

•a person subject to special tax accounting rules as a result of any item of gross income with respect to the Bonds being taken into account in an applicable financial statement;

•a U.S. person whose "functional currency" is not the U.S. dollar; or

•a U.S. expatriate or former long-term resident.

In addition, this discussion is limited to persons that purchase the Bonds in this offering for cash and that hold the Bonds as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address the effect of any applicable state, local, non-U.S. or other tax laws, including gift and estate tax laws or the impact of the Medicare contribution tax on net investment income. In addition, this discussion is limited to persons purchasing the Bonds for cash at original issue and at their original "issue price" within the meaning of Section 1273 of the Code (i.e., the first price at which a substantial amount of the Bonds is sold to the public for cash). The following discussion assumes that the issue price of the Bonds is equal to the stated principal amount of such Bonds. As used herein, "U.S. Holder" means a beneficial owner of the Bonds that is or is treated as, for U.S. federal income tax purposes: • an individual who is a citizen or resident of the U.S.;

•a corporation created or organized in or under the laws of the U.S., any state thereof or the District of Columbia;

•an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
•a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons that have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes holds the Bonds, the tax treatment of an owner of the entity generally will depend upon the status of the particular owner and the activities of the entity. If you are an owner of an entity treated as a partnership for U.S. federal income tax purposes, you should consult your tax advisor regarding the tax consequences of the purchase, ownership and disposition of the Bonds. We have not sought and will not seek any rulings from the IRS with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Bonds or that any such position would not be sustained. THIS SUMMARY OF MATERIAL FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY AND DOES NOT CONSTITUTE TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE TAX CONSIDERATIONS DISCUSSED BELOW TO THEIR PARTICULAR SITUATIONS, POTENTIAL CHANGES IN APPLICABLE TAX LAWS AND THE APPLICATION OF ANY STATE, LOCAL, FOREIGN OR OTHER TAX LAWS, INCLUDING GIFT AND ESTATE TAX LAWS, AND ANY TAX TREATIES. U.S. Holders Interest A U.S. Holder generally will be required to recognize and include in gross income any original stated interest as ordinary income at the time it is paid or accrued on the Bonds in accordance with such holder's method of accounting for U.S. federal income tax purposes. The original stated interest will constitute qualified stated interest. The Company may elect

to extend the maturity date of the Bonds for up to two additional one-year periods, and the Bonds will bear interest at a rate 1.0% more than the original interest rate during the first one-year extension period and will bear interest at a rate 2.0% more than the original interest rate during the second one-year extension period. See "Description of Bonds—Interest and Maturity." A Bond may be treated as issued with original issue discount ("OID") for U.S. federal income tax purposes if there are payments on the Bond which are not unconditionally payable in cash or in property, such as the additional interests payable during the extension periods. If a Bond is issued with OID, the U.S. Holder generally will be required to include OID in gross income (as ordinary income) on an annual basis under a constant yield accrual method, regardless of the regular method of accounting for U.S. federal income tax purposes, and as a result the U.S. Holder generally will include any OID in income in advance of the receipt of cash attributable to such income. However, solely for purposes of determining whether a Bond has OID, the Company will generally be deemed to exercise (or not exercise) any unconditional call option, such as the Company's option to extend the maturity of the Bond, in a way that minimizes the yield on the Bond. We intend to take the position that, for purposes of determining whether the Bonds have OID, the Company will be deemed not to extend the maturity of the Bonds and, that, as a result, there will be no additional interest or OID on the Bonds. The reference to "stated interest" refers to the original stated interest. The remainder of this discussion assumes that the Bonds will not be treated as issued with OID. U.S. Holders are urged to consult their tax advisors regarding the application of the aforementioned rules to the Bonds and the consequences thereof. Sale or Other Taxable Disposition of the Bonds A U.S. Holder will recognize gain or loss on the sale, exchange, redemption (including a partial redemption), retirement or other taxable disposition of a Bond equal to the difference between the sum of the cash and the fair market value of any property received in exchange therefore (less a portion allocable to any accrued and

unpaid stated interest, which generally will be taxable as ordinary income if not previously included in such holder's income) and the U.S. Holder's adjusted tax basis in the Bond. A U.S. Holder's adjusted tax basis in a Bond (or a portion thereof) generally will be the U.S. Holder's cost therefore decreased by any payment on the Bond other than a payment of qualified stated interest. This gain or loss will generally constitute capital gain or loss. In the case of a non-corporate U.S. Holder, including an individual, if the Bond has been held for more than one year, such capital gain may be subject to reduced federal income tax rates. The deductibility of capital losses is subject to certain limitations. Information Reporting and Backup Withholding A U.S. Holder may be subject to information reporting and backup withholding when such holder receives interest and principal payments on the Bonds or proceeds upon the sale or other disposition of such Bonds (including a redemption or retirement of the Bonds). Certain holders (including, among others, corporations and certain tax-exempt organizations) generally are not subject to information reporting or backup withholding. A U.S. Holder will be subject to backup withholding if such holder is not otherwise exempt and: •

such holder fails to furnish its taxpayer identification number, or TIN, which, for an individual is ordinarily his or her social security number;

•the IRS notifies the payor that such holder furnished an incorrect TIN;

•in the case of interest payments such holder is notified by the IRS of a failure to properly report payments of interest or dividends;

•in the case of interest payments, such holder fails to certify, under penalties of perjury, that such holder has furnished a correct TIN and that the IRS has not notified such holder that it is subject to backup withholding; or

•such holder does not otherwise establish an exemption from backup withholding.

A U.S. Holder should consult its tax advisor regarding its qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability or may be refunded, provided the required information is furnished in a timely manner to the IRS. Non-U.S. Holders For purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of the Bonds that is neither a U.S. Holder nor an entity treated as a partnership for U.S. federal income tax purposes. Interest Interest paid on a Bond to a Non-U.S. Holder that is not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States generally will not be subject to U.S. federal income tax, or withholding tax of 30% (or such lower rate specified by an applicable income tax treaty), provided that: •

the Non-U.S. Holder does not, actually or constructively, own 10% or more of our capital or profits;

•the Non-U.S. Holder is not a controlled foreign corporation related to us through actual or constructive stock ownership; and

•either (1) the Non-U.S. Holder certifies in a statement provided to us or other applicable withholding agent under penalties of perjury that it is not a United States person and provides its name and address; (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the Bond on behalf of the Non-U.S. Holder certifies to us or other applicable withholding agent under penalties of perjury that it, or the financial 56 institution between it and the Non-U.S. Holder, has received from the Non-U.S. Holder a statement under penalties of perjury that such holder is not a United States person and provides a copy of such statement to us or other applicable withholding agent; or (3) the Non-U.S. Holder holds its Bond directly through a "qualified intermediary" (within the meaning of applicable Treasury Regulations) and certain conditions are satisfied. If a NonU.S. Holder does not satisfy the requirements above, such Non-U.S. Holder may be entitled to a reduction in or an exemption from withholding on such interest as a result of an applicable tax treaty. To claim such entitlement, the Non-U.S. Holder must provide us or other applicable withholding agent with a properly executed IRS Form W-8BEN or W8BENE (or other applicable documentation) claiming a reduction in or exemption from withholding tax under the benefit of an income tax treaty between the United States and

the country in which the Non-U.S. Holder resides or is established. If interest paid to a NonU.S. Holder is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such interest is attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to us or other applicable withholding agent a valid IRS Form W-8ECI, certifying that interest paid on a Bond is not subject to withholding tax because it is effectively connected with the conduct by the NonU.S. Holder of a trade or business within the United States. Any such effectively connected interest generally will be subject to U.S. federal income tax at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected interest, as adjusted for certain items. The certifications described above must be provided to us or other applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty. Sale or Other Taxable Disposition A NonU.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale, exchange, redemption, retirement or other taxable disposition of a Bond (such amount excludes any amount allocable to accrued and unpaid interest, which generally will be treated as interest and may be subject to the rules discussed above in "—Interest") unless:

•the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable); or

•the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a foreign corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the NonU.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules. Information Reporting and Backup

Withholding Payments of interest generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder certifies its non-U.S. status as described above under "—Interest." However, information returns are required to be filed with the IRS in connection with any interest paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of a Bond (including a retirement or redemption of the Bond) within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the statement described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Proceeds of a disposition of a Bond paid outside the United States and conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting. Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. Additional Withholding Tax on Payments Made to Foreign Accounts Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "FATCA") on certain types of payments made to nonU.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on payments of interest on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, a Bond paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of interest on a Bond. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of a Bond on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross

proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in the Bonds.

ERISA CONSIDERATIONS The following is a summary of certain considerations associated with the purchase and, in certain instances, holding of the Bonds, or any interest therein, by (i) employee benefit plans subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) plans described in Section 4975 of the Code which are subject to Section 4975 of the Code (including an individual retirement account ("IRA")) or provisions under other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code (collectively, "Similar Laws"), and (iii) entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each of (i), (ii) and (iii), a "Plan"). General Fiduciary Matters ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (each, a "Covered Plan") and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises discretionary authority or control over the administration of a Covered Plan or the management or disposition of the assets of a Covered Plan, or who renders investment advice for a fee or other compensation to a Covered Plan, is generally considered to be a fiduciary of the Covered Plan. When considering an investment in the Bonds, or any interest therein, with the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code and any Similar Laws relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any applicable Similar Laws. Plan fiduciaries should consider the fact that none of the Company or any of its affiliates (the "Transaction Parties") is acting, or will act, as a fiduciary to any Plan with respect to the decision to purchase and/or hold the Bonds, or any interest therein. The Transaction Parties are not undertaking to provide impartial investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to such decision to purchase the Bonds, or any interest therein. Prohibited Transaction Issues Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of Section 406 of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and may result in the disqualification of an IRA. In addition, the fiduciary of the Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code. The acquisition and/or holding of the Bonds, or any interest in therein, by a Covered Plan with respect to which a Transaction Party is considered a party in interest or a disqualified person may

constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. Included among these statutory exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, which exempt certain transactions (including, without limitation, a sale and purchase of securities) between a Covered Plan and a party in interest so long as (i) such party in interest is treated as such solely by reason of providing services to the Covered Plan, (ii) such party in interest is not a fiduciary which renders investment advice, or has or exercises discretionary authority or control, with respect to the plan assets involved in such transaction, or an affiliate of any such person and (iii) the Covered Plan neither receives less than nor pays more than "adequate consideration" (as defined in such Sections) in connection with such transaction. In addition, the U.S. Department of Labor has issued prohibited transaction class exemptions ("PTCEs") that may apply to the acquisition and holding of the Bonds. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of Covered Plans considering acquiring and/or holding the Bonds in reliance on these or any other exemption should carefully review the exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied. Government plans, foreign plans and certain church plans, while not subject to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, may nevertheless be subject to Similar Laws. Fiduciaries of such Plans should consult with their counsel before acquiring the Bonds, or any interest in the Bonds. Because of the foregoing, the Bonds, or any interest in the Bonds, should not be purchased or held by any person investing "plan assets" of any Plan, unless such purchase and holding will not constitute a nonexempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws. Representations Accordingly, by its acceptance of a Bond, or any interest therein, each purchaser and holder a of Bond, or interest therein, and any subsequent transferee of a Bond, or any interest therein, will be deemed to have represented and warranted that (a) either (i) such purchaser or subsequent transferee is not, and is not using the assets of, a Plan to acquire or hold the Bond, or any interest therein, or (ii) the purchase and holding of a Bond, or any interest therein, by such purchaser or transferee does not, and will not, constitute a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code or a similar violation under any applicable Similar Laws and (b) none of the Transaction Parties is acting, or will act, as a fiduciary to any Plan with respect to the decision to purchase or hold the Bonds or is undertaking to provide impartial investment advice or give advice in a fiduciary capacity with respect to the decision to purchase or hold the Bonds. The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt

prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing and/or holding of the Bonds, or any interest therein, on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code or any Similar Law and whether an exemption would be required. Neither this discussion nor anything provided in this offering circular is, or is intended to be, investment advice directed at any potential Plan purchasers, or at Plan purchasers generally, and such purchasers of the Bonds should consult and rely on their own counsel and advisers as to whether an investment in the Bonds, or any interest therein, is suitable for the Plan.

DESCRIPTION OF BONDS This description sets forth certain terms of the Bonds that we are offering pursuant to this Memorandum. In this section we use capitalized words to signify terms that are specifically defined in Form of Bond. We refer you to the Form of Bond for a full disclosure of all such terms, as well as any other capitalized terms used in this Memorandum for which no definition is provided. Ranking The Bonds will be subordinated, unsecured indebtedness of the Company. The Bonds will be contractually subordinated to any other indebtedness that the Company expressly agrees is senior to the Bonds (which does not require Bondholder consent) and effectively subordinated to any of the Company's current or future secured indebtedness, to the extent of the value of the assets securing that indebtedness.

We are tokenizing bonds , the process of converting the rights and terms of a traditional bond into a digital token on blockchain. Each digital token represents ownership of a portion of the bond allowing for more efficient trading automated management and broader access for investors.

1. Issuance: A government or corporation decides to issue a bond and works with a blockchain platform to create its digital representation. The bond's terms—such as interest rate, maturity date, and payment schedule—are encoded into a smart contract.

2. Creation: Digital tokens are minted, with each one representing a fractional ownership share of the bond's value. These tokens are designed to conform to established blockchain standards, like Ethereum's ERC-20.

3. Distribution: The newly created tokens are sold to investors. This can be done through a Security Token Offering (STO) or a specialized digital exchange.

4. Trading: Once distributed, the tokens can be bought and sold on digital asset exchanges. Unlike traditional bonds that may have limited secondary market liquidity, tokenized bonds can be traded on a 24/7 basis.

5. Servicing: The smart contract automatically handles the bond's lifecycle events. For example, coupon payments are automatically distributed to token holders' digital wallets based on the predefined schedule.

6. Redemption: At the bond's maturity date, the smart contract automatically executes the repayment of the principal amount to the token holders.

Key benefits

- Increased liquidity: Tokenization allows for fractional ownership, which means investors can buy smaller portions of a bond. This lowers the barrier to entry and increases the number of potential investors, leading to a more active and liquid market.
- Faster settlement: Transactions can be settled in minutes or hours rather than the days it takes in traditional markets. This speeds up the transfer of ownership and reduces counterparty risk.
- Greater transparency: All transactions are recorded on a secure, immutable blockchain ledger. This creates a transparent, tamper-proof record of ownership and transaction history that is accessible to all parties.
- Reduced costs: By automating administrative processes and removing the need for many intermediaries, tokenization can lower issuance and transaction fees.
- Enhanced accessibility: The ability to buy and sell fractional units of bonds through digital platforms opens bond markets to a wider pool of retail and global investors

The Bonds will also be structurally subordinated to all liabilities (including trade payables) of each of the Company's subsidiaries, if any. The Bonds will rank pari passu with our other unsecured indebtedness that we have not expressly agreed is senior to the Bonds, Bonds from offering, with maturities ranging from Sept 20, 2025 to Sept 20, 2030, which will rank pari passu with the Bonds.. Our Sponsor also intends to enter into a Line of Credit Loan Agreement with its subsidiary, MCMF. To secure MCMF Loan, our Sponsor expects to enter into junior interest (junior to the Credit Agreement or other senior secured indebtedness) for various oil and gas properties owned by our Sponsor and its subsidiaries and, if executed, the advances under the Loan Agreement will be effectively subordinated to the MCMF Loan to the extent of the value of the assets securing the MCMF Loan (assets from Francis 1215) $110M in corporate insurance notes to be sold as needed) and will be effectively senior to the MCMF Loan, to the extent of the value of the assets securing the advances under the Loan Agreement. The terms of the Bonds do not prohibit the Company or any current or future direct or indirect subsidiaries from issuing more debt securities or incurring any other indebtedness, and any such issuance or incurrence may rank senior to the Bonds.

For example, the Company may issue additional debt obligations under Rule 506(c) that it designates as senior to the Bonds in its discretion. Any such issuance would rank senior to the Bonds. See "Risk Factors—Risks Related to the Bonds and to this Offering," "General Information About Our Company— Unsecured Debt Obligations" and "Company Structure Chart" for more information.

Interest and Maturity The 2 year Bonds and 3 year and 5 year Bonds will bear interest at a rate equal to 11.0%, 13% and 15% per year.

The sole difference between the three forms of Bonds per series is the form of payment of interest. For example, the 2 and 3 year Bonds will pay simple interest to the Bondholder monthly through cash distributions in arrears on the tenth day of each month, while the Series 5 year Bonds will earn interest compounded monthly and not pay monthly cash distributions but quarterly. Bonds will mature on the 2nd 3rd and 5th anniversary of the initial issuance date. THE REQUIRED INTEREST PAYMENTS AND PRINCIPAL PAYMENT ARE NOT A GUARANTY OF ANY RETURN TO YOU NOR ARE THEY A GUARANTY OF THE RETURN OF YOUR INVESTED CAPITAL. While our Company is required to make interest payments and principal payment as described in the Form of Bond and above, we do not intend to establish a sinking fund to fund such payments. Therefore, our ability to honor these obligations will be subject to our ability to generate sufficient cash flow or procure additional financing in order to fund those payments. If we cannot generate sufficient cash flow or procure additional financing to honor these obligations, we may be forced to sell some or all of the Company's assets(insurance notes) to fund the payments. We cannot guarantee that the proceeds from any such sale will be sufficient to make the payments in their entirety or at all, but we do feel that the intent, will be sufficient in nature to cover all costs. The whole process is backed by insurance notes that can be sold at fair value market. Each bond holder is added to the beneficiary as re insurance to there investment. If we cannot fund the above payments, Bondholders will have claims against us with respect to such violation as further described under the Form of Bond. Optional Redemption We may redeem the Bonds, in whole or in part, without penalty at any time. Any redemption of a Bond will be at an amount equal to the then outstanding principal on the Bonds being redeemed, plus any accrued but unpaid interest on such Bonds. If we plan to redeem the Bonds, we are required to give notice of redemption not less than 5 days nor more than 60 days prior to any redemption date to each Bondholder subject to redemption at such Bondholder's address appearing in the securities register maintained by the Registrar. In the event we elect to redeem less than all of any class or series of the Bonds, the particular Bonds to be redeemed will be selected by us, in our sole discretion. Merger, Consolidation or Sale We may consolidate or merge with or into any other corporation or entity, and we may sell, lease or convey all or substantially all of our assets to any entity, provided that the successor entity, if other than us: •

is organized and existing under the laws of the United States of America or any U.S. state or the District of Columbia;

•assumes all of our obligations to perform and observe all of our obligations under the Bonds; and

•provided further that no event of default shall have occurred and be continuing.

Restrictions of Transferability There are substantial restrictions on the transferability of the Bonds under the terms of the Form of Bond, the Subscription Agreement and applicable state and federal securities laws. Before selling or transferring a Bond, a Bondholder must obtain the written consent of the Manager and comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws and regulations. There is no market for the Bonds, and it is highly unlikely that any market for the Bonds will develop, and Investors should view the Bonds as solely a long-term investment. The Bonds offered under this Memorandum have not been registered under the Securities Act nor by the securities regulatory authority of any state. The Bonds may not be resold unless they are registered under the Securities Act and registered or qualified under applicable state securities laws or unless exemptions from such registration and qualification are available. Future Issuances We may, from time to time, without notice to or consent of the Bondholders, increase the aggregate principal amount of any series of the Bonds outstanding by issuing additional bonds in the future with the same terms of such series of Bonds, except for the issue date and offering price, and such additional bonds shall be consolidated with the applicable series of Bonds and form a single series. No consent of the Bondholders is required under the Bonds for the issuance of additional series of Bonds, including such additional series which may have payment priority superior to current Bonds. Payment of Taxes and Other Claims We will pay or discharge or cause to be paid or discharged, before the same shall become delinquent: (i) all taxes, assessments and governmental charges levied or imposed upon us or upon our income, profits or assets; and (ii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon our property; provided, however, that we will not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings or for which we have set apart and maintain an adequate reserve. Events of Default The following are events of default under the Form of Bond with respect to the Bonds:

•default in the payment of any interest on the Bonds when due and payable, which continues for 60 days, a cure period;

•default in the payment of any principal of or premium on the Bonds when due, which continues for 60 days, a cure period;

•default in the performance of any other obligation or covenant contained in the Form of Bond or in this Memorandum for the benefit of the Bonds, which continues for 120 days after written notice, a cure period; and

•specified events in bankruptcy, insolvency or reorganization of us.

We will deliver to the Bondholders a written notification of any uncured event of default within 60 days after we become aware of such uncured event of default. Remedies if an Event of Default Occurs Subject to any respective cure period, if an event of default occurs and is continuing, the Bondholders of not less than a majority in aggregate principal

amount of the Bonds of a particular series outstanding may declare the principal thereof, premium, if any, and all unpaid interest thereon to be due and payable immediately.

At any time after the Bondholders have accelerated the repayment of the principal, premium, if any, and all unpaid interest on the Bonds, but before the Bondholders have obtained a judgment or decree for payment of money due, the Bondholders of a majority in aggregate principal amount of outstanding Bonds of a particular series may rescind and annul that acceleration and its consequences, provided that all payments and/or deliveries due, other than those due as a result of acceleration, have been made and all events of default have been remedied or waived. The Bondholders of a majority in principal amount of the outstanding Bonds of a particular series may waive any default, except a default:

•in the payment of any amounts due and payable or deliverable under the Bonds; or

•in an obligation which cannot be modified without the consent of each Bondholder.
The Bondholders of a majority in principal amount of the outstanding Bonds of a particular series may direct the time, method and place of conducting any proceeding for any remedy available with respect to the Bonds, provided that such direction is not in conflict with any rule of law. The Bondholder has the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Bond on the respective due dates (or any redemption date, subject to certain discounts) and to institute suit for the enforcement of any such payment and such rights shall not be impaired without the consent of such Bondholder. Moreover, as long as any Senior Indebtedness remains outstanding, the Bondholder shall not, without prior written consent of the holder of the Senior Indebtedness, including under the Credit Agreement and, when entered into, the MCMF Loan:

•exercise or seek to exercise any right or remedy with respect to an event of default including any collection or enforcement right or remedy; or

•institute any action or proceeding against the Company or any of its assets including without limitation any possession, sale or foreclosure action or proceeding; or

•contest, protest or object to any enforcement proceeding or other action commenced under the Senior Indebtedness.

for a period of 180 days after delivery of notice of an event of default to the holder of the Senior Indebtedness, including under the Credit Agreement and, when entered into, the MCMF Loan (the “Standstill Period”). The Bondholder will only be permitted to commence such enforcement proceedings upon the receipt of written consent from the holder of the Senior Indebtedness or upon the following of the expiration of the Standstill Period.

LIMITATIONS ON LIABILITY Our Manager will owe fiduciary duties to the Company and our members in the manner prescribed in the Florida Limited Liability Company Act and applicable case law. Our Manager will not owe fiduciary duties to our Bondholders. The Manager is required to act in good faith and in a manner that it determines to be in our best interests. However, nothing in our operating agreement precludes the Manager or any

affiliate of any Manager or any of their respective officers, directors, employees, members or trustees from acting, as a director, officer or employee of any corporation, a trustee of any trust, an executor or administrator of any estate, a member of any company or an administrative official of any other business entity, or from receiving any compensation or participating in any profits in connection with any of the foregoing, and neither the Company nor any member shall have any right to participate in any manner in any profits or income earned or derived by our Manager or any affiliate thereof or any of their respective officers, directors, employees, members or trustees, from or in connection with the conduct of any such other business venture or activity. Our Manager, our executive officers, any affiliate of any of it, or any shareholder, officer, director, employee, partner, member or any person or entity owning an interest therein, may engage in or possess an interest in any other business or venture of any nature or description, provided that such activities do not compete with the business of the Company or otherwise breach their agreements with the Company; and no member or other person or entity shall have any interest in such other business or venture by reason of its interest in the Company. Our Manager has no liability to the Company or to any member or Bondholder for any claims, costs, expenses, damages, or losses suffered by the Company which arise out of any action or inaction of any Manager or executive officer if the Manager meets the following standards: (i) the Manager, in good faith, reasonably determined that such course of conduct or omission was in, or not opposed to, the best interests of our Company, and (ii) such course of conduct did not constitute fraud, willful misconduct or gross negligence or any breach of fiduciary duty to our Company or its members. These exculpation provisions in our operating agreement are intended to protect our Manager from liability when exercising their business judgment regarding transactions we may enter into. Insofar as the foregoing provisions permit indemnification or exculpation of our Manager or other persons controlling us from liability arising under the Securities Act, we have been informed that in the opinion of the SEC this indemnification and exculpation is against public policy as expressed in the Securities Act and is therefore unenforceable.

The information incorporated by reference contains important information about the Company, our Sponsor and our and our Sponsor's financial condition, and is considered to be part of this Memorandum. Any statement contained in a document incorporated or deemed to be incorporated by reference into this Memorandum will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which is or is deemed to be incorporated by reference into this Memorandum modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum. Documents incorporated by reference are available from us without charge, excluding all exhibits, except that if we have specifically incorporated by reference an exhibit into this Memorandum, the exhibit will also be provided without charge.

ADDITIONAL INFORMATION The Manager will answer inquiries from prospective subscribers concerning the Company and other matters relating to the offer and sale of the Bonds, and the Manager will afford prospective subscribers the opportunity to obtain any

additional information to the extent the Manager possesses such information or can acquire such information without unreasonable effort or expense.

5. Use of Proceeds

As shown in the chart below, the Company intends to allocate the \$12.5 million raised in this offering across three primary categories. Approximately **24.4%** (about \$3.05 million) will fund a Corp.backed Insurance of $110M - **Liquidity Note for Resale in 24Months**, providing liquidity support for token repurchases or secondary market activities (i.e. a facility to buy back tokens or support an internal trading market so that early investors have some pathway to liquidity). Another **22.7%** (\~\$2.83 million) is set aside as **Crypto Reserves** (held in major cryptocurrencies such as ETH, BTC, SOL, etc.), bolstering the project's reserve assets and helping to back the stablecoin infrastructure (described in the next section). The largest portion, roughly **52.9%** (about \$6.61 million), will be allocated to the **Magnus Capital Master Fund**, the Company's quantitative fund-of-funds, in order to generate returns that underpin the fixed payouts promised to investors in the senior and junior tranches.

Use of Proceeds Token Round	Amount (USD)	Percentage of Total
Liquidity Corp. Ins. Note for resale	\$3,051,000	24.4 %
Crypto Reserves, (ETH, BTC, SOL, etc.)	\$2,834,700	22.7 %
Investment Magnus Capital Master Fund-of-funds	\$6,614,300	52.9%
Total	\$12,500,000	100%

This allocation strategy is designed to balance immediate liquidity needs, asset-backed reserves, and growth through investment returns. The **Liquidity Note for Resale** ensures that a portion of funds is available to facilitate a **secondary market** or buyback program for the tokens, which can reassure investors that they have potential exit options after the lock-up periods (subject to regulatory constraints). The **Crypto Reserves** serve multiple purposes: they create a buffer of liquid assets, provide overcollateralization for any stable coin that might be used in the ecosystem (see Section 6), and allow the project to participate in the upside of major cryptocurrencies as part of its treasury strategy. The majority allocation to the **Magnus Capital Master Fund** reflects the Company's plan to **generate high yields through its trading strategies**, effectively using those returns to fund the interest and dividend-like payouts promised to investors. Notably, the Master Fund's trading programs have a strong track record – for example, one of its strategies (M3X) achieved a **\~74.85% return over the last 12-month period**. By channeling over half of the raise into the Master Fund, the Company aims to **amplify the project's capital growth**, potentially producing excess returns that can be reinvested or used to accelerate project development, while comfortably covering the fixed obligations to investors. In summary, every dollar raised is allocated to either support the **liquidity** of the tokens, **secure the value** of the system via reserves, or **grow the capital** to meet investor returns and increase the project's overall value.

Total bond Raise: \$50,000,000

Category	Allocation	Description

Oil Project Investment	\ $13,800,000	Core production yield generation (PH1=1300/day -PH2=4000 barrels/day @ \$75/barrel)
Vault Development & Operations	\$7,500,000	Gauntlet, Veda, -style modular vault infrastructure, protocol deployment
Magnus Capital Fund-of Funds	\$7,500,000	Algorithmic trading & credit-backed strategies
Crypto Liquidity/Reserve/ Expansion	\$21,200,000	ETH/BTC/SOL allocation, liquidity pools, future vault issuances, operations and funding of stablecoin.

6. Stablecoin Integration

A unique aspect of the Magnus Tokenized Energy Opportunity is the integration of a **stablecoin mechanism** into the project's financial ecosystem. The Company plans to utilize an **overcollateralized, fiat backed stablecoin** as a medium of exchange and distribution within the project's platform. This means that a digital token, pegged 1:1 to a fiat currency (likely USD), will be used for investor payouts (such as coupon payments, dividends) and possibly for facilitating liquidity in token trading. Each stablecoin token will be fully backed by traditional assets – primarily fiat currency reserves and potentially the oil project's tokenized assets – held in custody.

The rationale for using a stablecoin is to **combine the stability of fiat money with the efficiency of blockchain transactions **fireblocks.com. Investors and the Company can transact using the stablecoin without worrying about cryptocurrency volatility, as the stablecoin's value remains steady (pegged to USD) by being directly backed by equivalent reserves fireblocks.com. The stablecoin will be **overcollateralized**, meaning the reserves backing it will exceed the outstanding stablecoin in value – this provides an extra margin of safety (for example, \$1.10 of assets for every \$1.00 of stablecoin issued, hypothetically). The reserves will include a mix of fiat held in a secure bank account (for stability and auditability) and possibly a portion of **tokenized energy assets** or other high-quality collateral. By including the tokenized ownership of the energy project as part of the collateral pool, the stablecoin gains a unique asset-backing that ties into the project's success (similar in concept to commodity-backed stablecoins but structured with the foundation's assets).

Operationally, when the Company needs to pay out interest or returns to investors, it can mint and distribute the stablecoin to token holders, who can then redeem it for fiat currency or trade it, knowing it's reliably backed. This creates a **fast, low-cost, and transparent payment cycle**. All stablecoin issuance and redemptions will be handled with strict controls, **regular audits, and regulatory compliance**. The stablecoin reserves will be audited by independent third parties to verify that the collateral exceeds the circulating stablecoin, thereby maintaining trust. This approach follows industry best practices for fiat collateralized stablecoins: funds held in regulated institutions, 1:1 (or greater) backing, and frequent disclosures fireblocks.com fireblocks.com. In essence, the stablecoin acts as a **bridge between traditional finance and crypto** within the Magnus ecosystem – investors get the convenience and speed of crypto transactions (instant settlement, global transferability) without the price volatility risk of typical cryptocurrencies. It also ensures that the **value circulating within the project's economy is stable and liquid**, facilitating easier entry and exit for participants. The combination of overcollateralization and the backing by real assets (fiat + energy assets) is intended to make the stablecoin as secure as possible, mitigating concerns that have affected purely algorithmic or under-collateralized stablecoins in the past.

In summary, the stablecoin usage is an integral part of Magnus Capital's strategy to provide a **modern, efficient investor experience**: investors can subscribe in fiat, receive tokens representing real assets, get periodic distributions in a stablecoin that they can readily convert, and potentially trade their holdings on secondary markets, all with trust that the digital assets are firmly anchored to tangible value.

The Magnus Stablecoin will be:

- **Overcollateralized** by vault assets, oil-linked yield, and SBLC/private credit
- **Minted** via verified smart contract inputs from underlying vaults
- **Burned** upon redemption or bond maturity settlements

Yield-bearing via vault integration, the stablecoin earns intraday yield and is fully auditable through on chain collateral backing.

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7. Magnus Capital Master Fund – Trading Program Highlights

The **Magnus Capital Master Fund** is a quantitative trading fund (operated by Magnus Capital Master Fund) through a partnership as a fund of fund with pioneer asset management in Zurich, where a significant portion of the offering's proceeds will be invested (as noted in Use of Proceeds). This fund employs sophisticated algorithmic trading programs to generate returns, which will in turn support the financial performance of the Magnus token and bond obligations. Below we highlight the key trading strategies deployed by the Master Fund, as they underscore the fund's return potential and risk management approach:

- **M44 and M3X (the "M-series" strategies):** These are state-of-the-art systematic trading systems developed by Magnus Capital. M44 and M3X utilize advanced correlation analysis, machine learning (ML) algorithms, and genetic algorithm-based optimization to dynamically allocate capital across dozens of independent trading subsystems. In practice, the M-series strategies trade a diversified portfolio of **FX (foreign exchange) and commodity** markets, rebalancing allocations continuously based on risk-adjusted performance metrics (e.g. Smart Sharpe ratio, Sortino ratio) and correlation data. The use of an NSGA-II genetic algorithm module allows these strategies to evolve and improve portfolio allocation over time. This results in a highly diversified and adaptive trading approach that aims to deliver consistent returns in varying market conditions.
- **M-XGB (cross-asset strategy):** The Master Fund also runs the M-XGB strategy, which provides enhanced diversification by actively allocating across **multiple asset classes** – including currencies (FX), commodities, and **cryptocurrencies**. By combining three distinct asset classes, M-XGB achieves a level of risk distribution beyond what a single-asset strategy could. Proprietary scoring models guide the allocation in M-XGB, adjusting positions to optimize performance and manage volatility. On average, M-XGB executes highfrequency trades (hundreds to thousands per month) and typically holds positions for short durations (\~24 hours), exploiting short-term inefficiencies across markets.
  This strategy's inclusion of crypto assets means the Master Fund can capture upside from crypto market movements while still balancing that exposure with more traditional assets.

Performance & Purpose: The Master Fund's strategies have demonstrated strong historical performance (for instance, the M3X strategy achieved \~74% ROI over 12 months as noted earlier, and the M44 strategy \~29% ROI over 12 months). While past performance is not indicative of future results, these figures illustrate the **return potential** of the Fund's quantitative approach. The primary purpose of allocating capital to the Master Fund is to **generate high yields** that can support the interest payments and returns promised to Magnus investors. In essence, the Master Fund serves as the engine that **drives yield**: the returns from M44, M3X, M-XGB and other systems are

intended to exceed the fixed payout obligations (e.g., 16% or 22% to investors), creating a net profit that accrues to the benefit of the project and its equity holders. Moreover, because these strategies are largely uncorrelated with traditional stock/bond markets (by design, given their multi-asset and algorithmic nature), the Master Fund's performance can provide a hedge against macroeconomic volatility. This helps protect the project's financial health during broad market downturns. The Master Fund operates in a regulated environment and leverages Magnus Capital's expertise in quantitative trading. All trading is done through reputable brokerages and exchanges, with risk management systems in place (e.g., drawdown controls, diversification limits). By integrating the Master Fund into the offering's structure, Magnus Capital aligns the success of its proprietary trading programs with the success of the tokenized energy project, creating a powerful synergy between **financial engineering** and **real-world asset investment**.

The Magnus Fund-of-Funds strategy includes:

- Multi-strategy algorithmic quant trading
- Currency, commodity, and fixed income execution
- Allocations toward delta-neutral DeFi protocols
- Proven historical returns in excess of 25% annually across tested mandates

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8. Magnus Vault Infrastructure

The Magnus Vault Infrastructure serves as a foundational layer in the Company's strategy to deliver secure, programmable yield and enhanced capital efficiency across its tokenized offerings, particularly the stable coin and bond-backed components. Inspired by architectures such as Veda Labs' modular vault system, the Magnus Vault will incorporate smart contract-based vaults that automate asset allocation, yield generation, and investor payouts — all while masking the complexity of DeFi protocols from the end user. Key Components: Vault-Backed Stable coin: Magnus will issue an overcollateralized, yield-bearing stable coin tied to fiat value and secured by reserves including private debt instruments; SBLCs, tokenized RWAs (real-world assets), and high-grade digital assets (ETH, BTC, etc.). These reserves will be managed through smart contracts that interface with the vault system to generate stable yield.

Automated Yield Routing: Through integration of a Veda-like SDK into Magnus the Magnus Vault, smart contracts within the vault will autonomously route assets to optimized DeFi strategies (e.g., staking, lending, liquidity provision) across chains — ***earning intraday yield***, compounding interest by the second, and transparently reporting returns to both token and bond holders. Looping / Leveraged Yield Framework: Vaults will include leveraged yield loops for enhanced capital efficiency, allowing Magnus to recycle capital from yield-bearing assets back into new positions (while adhering to conservative LTVs and risk thresholds), thereby increasing overall APY across the ecosystem. Private Credit & Debt; SBLC and RWA Utilization: Vaults will directly integrate Private Credit & Debt instruments; SBLC-backed assets and tokenized credit instruments as collateral, enabling real-world income streams to be tokenized and routed through DeFi protocols in a compliant structure. For example, SBLC proceeds may underwrite capital-efficient stable coin issuance or be staked in a protocol-approved liquidity pool. Bond Tokenization via Vaults: A forward-looking extension of the Magnus vault system may include direct issuance of tokenized bonds from vault smart contracts. This allows for instant investor settlement, automated coupon distribution, and programmable compliance (e.g., whitelisting, lock-up enforcement). Tokenizing bonds within the vault structure adds liquidity, transparency, and modularity to the fixed income offering. Investor Automation: Using on-chain forms and compliant middleware (e.g., KYC/AML plugins), the vault infrastructure will support automated investor onboarding, allocation, and settlement — eliminating paperwork and reducing manual operational risk. Strategic Goals: Maximize DeFi yield without exposing investors to excessive risk Abstract the complexity of smart contract mechanics and protocol switching Offer real-time reporting and transparency into reserve composition and APY performance Seamlessly link stable coin, tokenized equity, and debt markets via one

unified architecture By embedding the Magnus Vault Infrastructure across all layers of the offering — from the bond program to the tokenized stable coin and RWA reserves — the Company delivers a vertically integrated yield engine with institutional security, on-chain transparency, and disruptive market potential. Built atop Veda Labs-style modular SDKs, Magnus Vaults feature:

- Dynamic yield strategies executed by permissioned smart contracts
- Role-based compliance & whitelist enforcement
- Token-gated access to private credit vaults (SBLC-derived)
- Cross-chain deposit logic for multichain DeFi exposure
- Reserve snapshot tracking for mint/burn operations

Built atop Veda Labs-style modular SDKs, Gauntlet Vault Strategies, Fordefi, Liquid Stake Vaults; Magnus Vaults feature:

- Dynamic yield strategies executed by permissioned smart contracts
- Role-based compliance & whitelist enforcement
- Token-gated access to private credit vaults (SBLC-derived)
- Cross-chain deposit logic for multichain DeFi exposure
- Reserve snapshot tracking for mint/burn operations

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9. DAO Governance Architecture

Magnus DAO will operate as a Cayman-compliant governance layer:- future expansion

- Token-weighted voting rights
- Proposals for fund deployment, upgrades, or asset reallocation
- Smart contract permissions to pause, upgrade, or redirect vault behavior
- Multi-sig treasury for major DAO-controlled fund decisions

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10. Strategic Partner Recommendations

Stack Component Partner Candidate(s)

KYC/Token Issuance	Zoniqx, Magnus Platfrom
Custody	Fireblocks, BitGo, Copper,Morpho

Vault SDK	Veda Labs, Gauntlet Vaults, Superform Fordefi,Liquid Stake, Morpho
Oracles	Chainlink, RedStone
Compliance Counsel	NXT LAW (Cayman)
Stablecoin	Brale ; Block Gemini, Mastercard

11. Jurisdictional Compliance & Legal Framework

To ensure a robust and compliant execution of this tokenized offering across multiple jurisdictions, the Company will engage with strategic partners and service providers in key regions. Below are recommendations for partnerships and infrastructure in each jurisdiction to build a compliant technology stack and operational framework:

- **Cayman Islands (Issuer's Jurisdiction):** Leverage Cayman's friendly regulatory environment for fintech by working with licensed fiduciaries and compliance experts. The Magnus Tokenized Energy Opportunity Foundation (as a Cayman entity) should register or comply with the Cayman Islands Virtual Asset (Service Providers) Act (VASP Act) if applicable, by partnering with a **CIMA-licensed** service provider for virtual asset issuance. Engaging a reputable Cayman law firm (for example, Maples and Calder or Walkers) will ensure the offering documents and token structure meet local securities and regulatory requirements. For token custody and administration, the Company can use Cayman-based fund administrators or trust companies experienced in digital assets. These partners will help manage the token cap table, handle corporate governance of the Foundation, and ensure that the token issuance is conducted in line with Cayman's compliance standards.
- **United Arab Emirates (UAE):** Tap into the UAE's growing crypto-finance ecosystem by operating under the frameworks of the **Abu Dhabi Global Market (ADGM)** or Dubai's **Virtual Assets Regulatory Authority (VARA)**. The Company could partner with ADGM-licensed fintech firms or exchanges to facilitate offering the tokens and bonds to investors in the Middle East in a compliant manner. For instance, utilizing an ADGM-authorized custodian or broker (who is familiar with security tokens) can allow regional investors to participate through a regulated platform. The UAE's regulatory sandboxes (ADGM's RegLab, etc.) could be useful for testing the stablecoin integration and ensuring Sharia-compliance if targeting Islamic investors. Strategic alliances with technology providers in Dubai who are registered with VARA can also ensure the project's digital asset operations (like stablecoin transactions, crypto reserves management) meet the new UAE regulations. In summary, establishing a presence or partnership in ADGM will lend credibility and open access to UAE institutional capital, under the guidance of one of the world's most advanced virtual asset regulatory regimes.
- **United States:** Continue to conduct any US-facing offering under exemptions such as **Regulation D, Rule 506(c)**, which allows general solicitation but restricts buyers to accredited investors. Magnus Capital already operates under a fully regulated framework via a partnership with **Pioneer** (a Us registered entity) for regulatory oversight, trade execution, and custody. It is recommended to maintain or expand such partnerships – for example, working with a **FINRA-registered broker dealer** as the placement agent for the

offering, and a **qualified custodian** (chartered trust company or broker) to custody investor funds and tokens in the US. Using a reputable compliance platform (for investor accreditation verification and AML/KYC checks) will be crucial; providers like **Jumio, Chainalysis, or Trulioo** can be integrated into the onboarding process. For the bond component, the Company may consider listing the bonds (or tokenized bonds) on a **SEC-registered Alternative Trading System (ATS)** once issued, to provide a path to liquidity while remaining regulatory compliant. Examples include platforms like Securitize Markets or tZERO, which facilitate trading of tokenized securities under US securities laws. All marketing to US investors will include proper legends and disclaimers (see Section 9) and ensure each investor's accredited status is verified before accepting funds. By combining in-house expertise with trusted US partners (legal counsel, brokerdealer, ATS platform, and custodians), Magnus can navigate US regulations confidently and tap into US capital.

- **European Union:** Prepare for and align with the EU's forthcoming **Markets in Crypto-Assets (MiCA) Regulation**, which by 2025 will create a uniform regulatory framework for crypto assets across EU member states. In the interim, the Company can target EU investors via private placement regimes and work with EUbased fintech partners. For example, partnering with a platform like **Tokeny** (in Luxembourg) or **STOKR** (in Germany/Luxembourg) could allow the issuance of compliant security tokens to EU investors with builtin compliance (these platforms ensure that only eligible investors from permitted jurisdictions can access the offering). Additionally, engaging an EU-licensed **MiFID II investment firm** to passport the offering (once MiCA is fully in force) could enable marketing across Europe. The stablecoin component should also comply with any EU e-money regulations; one approach is to work with a European e-money institution or bank to act as the issuer or guarantor of the fiat-backed stablecoin (ensuring it could qualify under the upcoming EU stablecoin rules). Data privacy compliance (GDPR) will be respected in all EU investor interactions. In short, the strategy in Europe is to use regulated platforms and advisory firms that understand the evolving EU laws, so that Magnus's token and stable coin can be offered **safely and lawfully** to European institutional and qualified investors once the regulatory environment allows.

Across all jurisdictions, the **technology stack** will include institutional-grade solutions for digital asset custody and transfer. The Company will use secure custody providers (for example, **Fireblocks** or **Copper**) to safeguard crypto reserves and tokens, multi-signature wallets for treasury management, and smart contract audit firms to audit the token and stablecoin code for security. Compliance software for AML (AntiMoney Laundering) and transaction monitoring will be integrated to track all token and stablecoin movements and ensure they meet the travel rules and other international guidelines. By proactively assembling these partnerships and tools in Cayman, the UAE, the US, and the EU, Magnus Capital will build a **globally compliant infrastructure** for its tokenized energy investment offering. This not only minimizes legal and regulatory risks but also instills confidence in investors and regulators that the project is being managed to the highest standards of transparency, security, and accountability. Key regions include:

- **Cayman Islands:** Foundation & vault entity; tax neutral; FATCA/CRS compliant
- **UAE:** Feeder for private investors via DIFC/ADGM; Shariah-screened investment availability
- **United States:** Reg D 506(c) exemption; accredited investors only
- **EU/UK:** Private placement compliance; limited to fewer than 150 people per member state

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12. Risk Disclosures

- Illiquidity during lock-up periods
- Price volatility in underlying digital assets
- Regulatory uncertainty across DeFi jurisdictions

- Credit risk from underlying SBLC instruments or energy project delays

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13. Disclaimers and Legal Considerations

Prospective investors must carefully review the following important disclaimers and notices regarding this offering. This Offering Memorandum is intended for **informational purposes to qualified investors** and is **not a public offering**. Key legal considerations include:

- **No Registration (Private Offering):** The securities (tokens and bonds) described herein have **NOT been registered** under the U.S. Securities Act of 1933, as amended, or the securities laws of any other jurisdiction. The offering is being conducted pursuant to exemptions from registration (including Regulation D Rule 506(c) in the United States), and thus is **limited to accredited/qualified investors** and not available to the general public. This Memorandum shall not constitute an offer to sell, or the solicitation of an offer to buy, in any jurisdiction where such offer or sale would be unlawful.
- **No Regulatory Approval:** Neither this Memorandum nor the securities offered have been approved, disapproved, or recommended by any regulatory authority or governmental agency. In particular, the U.S. Securities and Exchange Commission (SEC) **has not passed upon the accuracy or adequacy** of this document or the merits of this offering. Any representation to the contrary is a criminal offense.
- **Transfer Restrictions & Illiquidity:** The tokens and bonds offered are subject to substantial **restrictions on transfer**. Investors will generally **not be able to resell or transfer** the securities except in compliance with applicable securities laws and with the consent of the Company. No public market for the tokens or bonds is expected to develop in the near term, and there is no assurance one will ever develop. As a result, these securities are considered illiquid investments – investors must be prepared to hold their investment for an indefinite period (potentially until maturity for the bonds or until a liquidity event for the tokens).
- **Speculative Investment – Risk:** An investment in Magnus Tokenized Energy Opportunity is **speculative and involves a degree of risk**. Investors should not invest any funds unless they can afford to lose their entire investment. The risks include but are not limited to: operational risks of the oil project, volatility in energy prices, potential regulatory changes affecting tokenized securities or cryptocurrencies, technology risks (such as cybersecurity of the blockchain platform), and the Company's ability to execute its strategy (including the performance of the Master Fund's trading strategies). Comprehensive risk factors are provided in the Risk Factors section of the full memorandum and should be reviewed carefully.
- **Right to Modify or Reject Offering:** The Company **reserves the right to withdraw, cancel, or modify** this offering at any time before closing, and to reject any subscription in whole or in part at the Company's discretion. Allocation of tokens or bonds to investors may be capped or reduced by the Company for any reason, including to comply with regulatory limits or to prevent any single investor from having an excessive ownership percentage. No offering is final until accepted by the Company and the subscription documents are countersigned; the Company may choose not to proceed with the offering or any portion of it if market conditions or other factors so dictate.

Additional Disclosures: This document is **confidential** and intended only for the person to whom it was provided. Recipients may not reproduce or distribute it to others without the Company's prior written consent. By accepting this Memorandum, recipients agree to return or destroy it upon request if they do not participate in the offering. Investors are encouraged to conduct their own due diligence. The information herein is as of the date listed on the cover and may be subject to updating, completion, revision, or amendment. The Company undertakes no obligation to update any information or to correct any inaccuracies which may become apparent.

This Offering Memorandum should be read in conjunction with the detailed **Risk Disclosure** section and the **Subscription Agreement**, which contain further information on investment considerations, conflicts of interest, and investor eligibility. All investors must represent that they meet the suitability requirements of the offering and have reviewed all pertinent materials. Legal counsel and financial advisers for the prospective investor should also be consulted to assess this opportunity in light of the investor's particular circumstances. The distribution of this document in certain jurisdictions may be restricted by law, and persons into whose possession it comes should inform themselves about and observe any such restrictions.

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