



Mineral Vault

Effortless, Fractional Investment In Oil & Gas Properties

EARLY INVESTOR DEAL SHEET

Highlights

Issue Name: **Mineral Vault I**

Issue Size: **\$10,000,000 USD**

Forecasted Year 1 Cash Flow: **\$1,458,000 USD⁽¹⁾**

Target IRR: **10.12%⁽²⁾**

Asset Description

- Mineral Vault I Ltd, a British Virgin Islands business company, is offering **\$10,000,000 equity tokens** via a security token offering on the Plume Network.
- Mineral Vault I Ltd holds a **15 year** term revenue interest in a diverse portfolio of **>1,000 mineral properties** containing **>2,500 producing oil & gas wells** spread across **9 states** of the continental United States.
- Both **existing production** and **production from future leasing & drilling** on portfolio properties will cash flow to the entity.
- To ensure **price stability**, token repurchase & burn will occur over the course of 15 years, ending with repurchase of all tokens.
- The Mineral Vault I token represents the **first ever** tokenization of oil & gas properties in history.



What Are Mineral Interests?

Mineral interests are real property interests in sub-surface parcels:



Aspect	Surface Interest	Mineral Interest
Countries Allowing Private Ownership	Essentially all developed countries	Only the United States
Rights Included	May sell, transfer, or develop land surface within legal limits	May explore for, develop, and extract natural mineral deposits (including oil & gas) within legal limits, all the way to Earth's core
Severability	Can be owned together with <u>or</u> separately from mineral rights	Can be (and typically are) severed and owned separately from surface rights in high-production areas; typically begin ~100 meters below surface level, if severed
Leasing	Can be leased to tenants, farmers, etc to produce lease income	Can be leased to oil & gas companies, called "operators", to drill oil & gas wells. Oil & gas companies typically pay a lease bonus at lease execution and a royalty of 12.5%-25% of net production once wells are producing

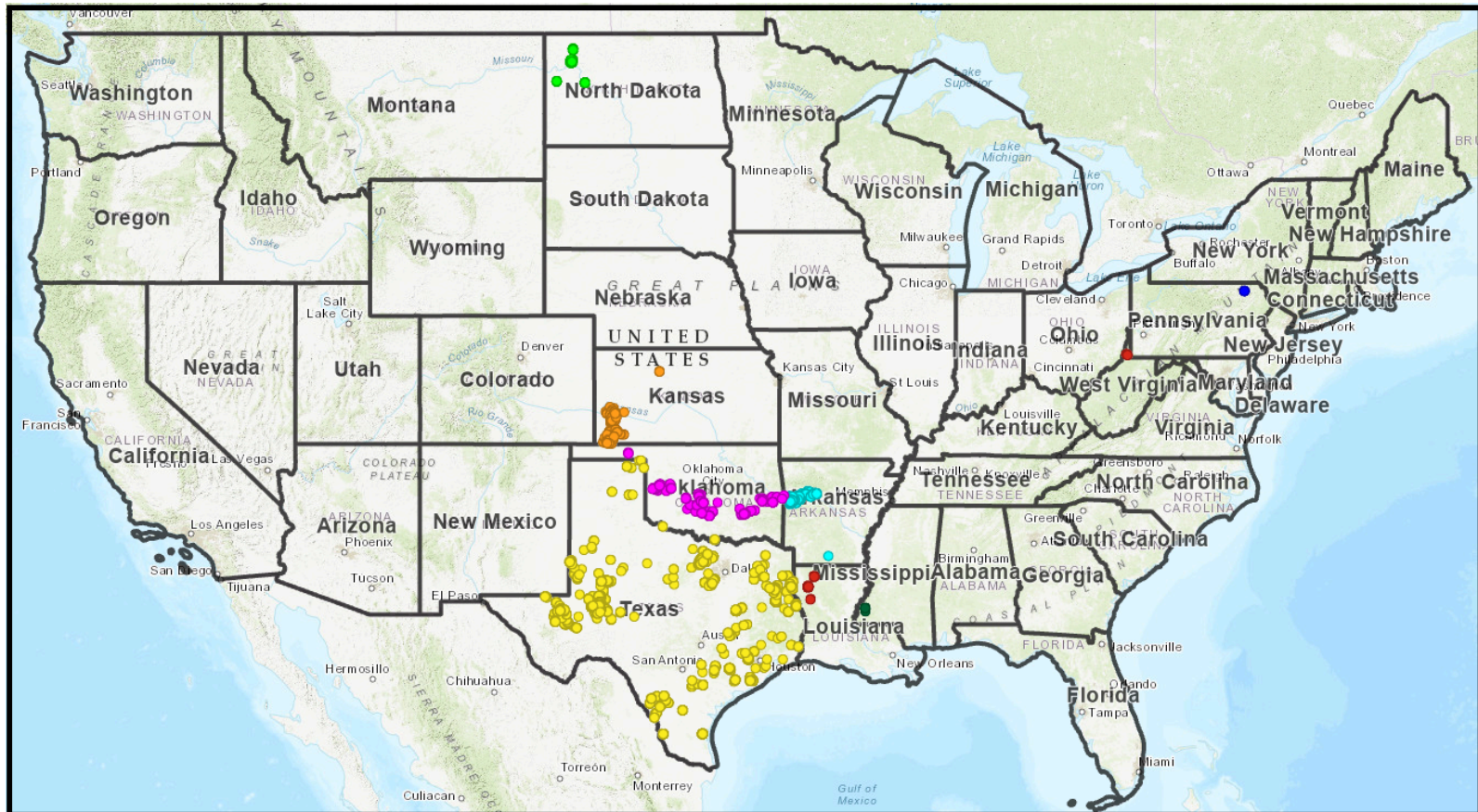


Why Invest?

- **Immediate, High Cash Flow**
 - All assets already producing oil, natural gas, or other hydrocarbons
 - Monthly distributions via direct-to-wallet stablecoin (USDC) transfers
 - Forecasted Year 1 Cash Flow: \$1,458,000 USD⁽¹⁾
 - Last 3 Months Actual Cash Flow (Jul'24-Sep'24): \$405,911 USD
 - Last 6 Months Actual Cash Flow (Apr'24-Sep'24): \$801,442 USD
- **Future Upside Potential From New Drilling Activity**
 - Properties encompass >10,000 gross acres across the U.S. in the most prolific & permitted shale plays, leaving ample room for new drilling.
 - Over the last 12 months, monthly cash flow has not declined from well depletion due to ample “reserve replacement” initiatives by operators, meaning increases in production caused by the drilling of new wells & re-completions on existing wells.
- **Built-In Inflation Protection**
 - Commodity prices for oil & natural gas are a natural hedge against inflation, as the commodities produced are sold at or near spot prices each month.
- **Title Risk Protection**
 - Should Mineral Vault I Ltd be taken “out-of-pay” on any wells included in the portfolio at the time of token issue due to a title failure, Mineral Vault will refund token holders a “make whole” amount⁽⁶⁾ with respect to the property, greatly mitigating title failure risk.
- **Commodity Price Exposure**
 - If commodity prices continue to increase from Mar'24 levels, cash flow (and investment performance) will materially improve.
- **Price Stabilization From Token Burn**
 - To ensure that natural well depletion over time does not materially hamper token price, Mineral Vault will repurchase & burn tokens at fair market value for the entire duration of the investment. This increases each remaining token's % equity in Mineral Vault I Ltd.



Why Invest? (Cont'd)



Well Locations

- **Highly Diversified Assets**

- Assets are numerous and both geographically and operationally diverse, being >1,000 mineral properties with >2,500 producing oil & gas wells spread across 9 U.S. states and >150 operators.
- Largest asset concentrations in Texas, Oklahoma, Kansas, & Arkansas
- Exposure to the most prolific shale plays in the U.S., including:
 - Permian Shale (TX)
 - Eagle Ford Shale (TX)
 - Barnett Shale (TX)
 - Cana-Woodford Shale (TX, OK & KS)
 - Haynesville Shale (TX & LA)
 - Bakken Shale (ND)



Investment Risks⁽³⁾

- **Commodity Price Exposure**
 - Commodity price exposure presents both an opportunity and a risk. Token cash flows will fluctuate in accordance with commodity prices in effect at the time hydrocarbons are sold to purchasers, which occurs on an ongoing basis, monthly.
 - If commodity prices decrease from Mar'24 levels, cash flow (and investment performance) could materially decrease.
- **Reserve Replacement Not Guaranteed**
 - Without intervention, all oil & gas wells will naturally deplete, producing less hydrocarbons in future years than prior years.
 - “Reserve Replacement” in large oil & gas property portfolios refers to the phenomena of overall production and cash flow remaining steady (or declining at a decreased rate) due to the ongoing drilling of new wells & re-completions on existing wells due to a high amount of undeveloped gross acreage in the portfolio.
 - Although we have observed ample reserve replacement on our acreage over the last 12 months and cash flows have not depleted, reserve replacement is not guaranteed and may not occur for many reasons, including (but not limited to):
 - Lack of economic incentive to operators, caused by low commodity prices, better opportunities, etc.
 - Inactive operators holding a lease
 - Inability of operators to complete new drilling or re-completion activity before the 15 year term of the investment lapses
 - Legal / regulatory changes



Behind The Investment – Who We Are



Blake Morgan, *Managing Partner*

Mr. Morgan serves as Managing Partner of Mineral Vault following a career at Google, and, more recently, 10 years experience in mineral interest acquisition and management at Allegiance Oil & Gas and Anthem Oil & Gas. Mr. Morgan is a graduate of The University of Texas at Austin, where he received an academic scholarship to obtain his degrees in Business Honors & Finance. He is a native of Midland, Texas.

Wade Koehl, *Managing Partner*

Mr. Koehl serves as Managing Partner of Mineral Vault following 15 years of mineral interest acquisition & management experience at Allegiance Oil & Gas and, formerly, Anthem Oil & Gas. Before entering the oil & gas industry, Mr. Koehl enjoyed a brief NFL career, which followed 4 years playing football at the University of Houston on a full athletic scholarship. Mr. Koehl is a native of Midland, Texas.

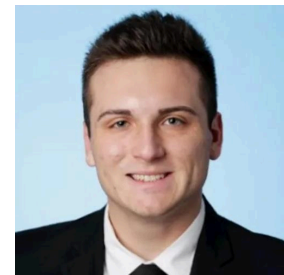


Andrew Wyatt, *Director of Asset Management*

Mr. Wyatt leads the Asset Management team at Mineral Vault following 10 years experience in the oil & gas industry. His diverse career in energy finance has included extensive experience in acquisition valuation, energy portfolio management, and commodity price hedging. Mr. Wyatt graduated as a four year letterman in golf from the University of Nebraska in 2012, obtaining degrees in Economics and Finance. He is a native of Lake Forest, Illinois.

Max Sarafin, *Advisor*

Max Sarafin, also known by his X alias @ScruFFuR, serves as a strategic advisor to Mineral Vault, having been involved in the blockchain & tokenization arenas since 2010. He is currently Head of Research for WWVentures, a Web3 venture capital firm. Mr. Sarafin holds a Bachelors of Science in Business Administration from UNC Kenan-Flagler Business School with emphasis in finance.





Behind The Investment – Asset Origination

All assets were acquired by Allegiance Capital Fund I LP (DBA “Allegiance Oil & Gas”), a private investment fund, between May 2020 - May 2023. All assets were acquired directly from private owners, involving over 350 individual transactions. All assets are presently owned and managed directly by Allegiance.

The principals of Allegiance have a proven track record in oil & gas property acquisition and management, acquiring over a billion dollars of properties since entering business in 1984. Allegiance prides itself on fair, honest, and transparent business dealings.

The Allegiance team, including Blake Morgan, Wade Koehl, & Andrew Wyatt from the prior page, have founded Mineral Vault in order to realize a vision of decentralized ownership in mineral & royalty interests, bringing this traditionally U.S.-exclusive asset class to a global stage.



Asset Issuer Data Sheet

Total Issue Size	\$10,000,000
Minimum Investment (\$)	\$250
Target IRR (%)	10.12% ⁽²⁾
Distribution Schedule	Monthly
Initial Lockup Period	6 Months
SPV Jurisdiction	British Virgin Islands (BVI)
Investment Restrictions	In select countries, Accredited Investor status is required for investment. In most approved countries, it is not.
Offering Timeline	<ul style="list-style-type: none">• Early Investors: Now-October 31, 2024• Public Sale: November 1, 2024-October 31, 2025• Token Distribution & Go-Live: December 1, 2024
Investment Term	15 Years
Management Company	Mineral Vault LLC, a Texas limited liability company ⁽⁴⁾
Management Fee	10% Of Net Revenue ⁽⁵⁾
Other Costs & Fees	<ol style="list-style-type: none">1) Property taxes, which vary by jurisdiction, will be paid annually.2) All gross income is subject to 30% U.S. source income tax withholding, as required by law.
Additional Features	<ol style="list-style-type: none">1) Token repurchase & burn at fair market value will occur over the course of 15 years, ending with burn of all tokens at the end of the 15 year term.2) Mineral Vault will make investors whole⁽⁶⁾ for any properties whereby a title failure causes properties to fall out of the portfolio (unlikely to occur).3) Peer-to-peer and DeX trading of tokens will be available after the lockup period.4) Credit protocols will be available after the lockup period.



Disclaimers

- (1) Based on projections produced by Mineral Vault I Ltd which utilize both public and private data sources. The cash flow forecast presented here is net of management fees, but does not include the effect of U.S. property taxes or U.S. source income tax withholding. See also the “Disclaimer On Forward-Looking Statements” below.
- (2) Refers to a projected annual “Internal Rate of Return” received by token holders and is calculated based on projected cash flows over the entire 15 year investment term. The Target IRR presented here is net of management fees, but does not include the effect of U.S. property taxes or U.S. source income tax withholding. The Target IRR is based on projections produced by Mineral Vault I Ltd which utilize both public and private data sources and is not intended to communicate returns which have actually been obtained by any current or former investor. See also the “Disclaimer On Forward-Looking Statements” below.
- (3) Investment risks shown here are not comprehensive or all-encompassing and are presented solely on the basis that these factors are among the most material risks of investment in the opinion of the token issuer, Mineral Vault I Ltd.
- (4) Mineral Vault LLC will serve as portfolio manager and hold the Class A equity shares in Mineral Vault I Ltd. Management responsibilities include but are not limited to: negotiation and execution of new oil & gas leases, review and validation of division orders related to new and existing wells, verification of payment from operators & purchasers, calculation and payment of property taxes, filing of all necessary tax and regulatory paperwork related to Mineral Vault I Ltd, token management, and investor communication and coordination, including compliant onboarding of investors.
- (5) Calculated as 10% of all revenue payable to Mineral Vault I Ltd, after payment of property taxes and joint interest billing expenses.
- (6) The “make whole” amount shall be an amount, in USD, determined and paid by portfolio manager Mineral Vault LLC. The calculation shall be an amount of value attributed to the property at time of token issuance less any payments received on the property by token holders since that time.

Disclaimer On Forward-Looking Statements: Certain statements contained herein may constitute forward-looking statements which involve risks and uncertainties that could cause actual events or results to differ materially from the projected or expected events or results implied or conveyed in such forward-looking statements. In particular, statements regarding oil and gas reserves, projected cash flows, or expected investment performance may include the implied assessment that the natural resources described herein can be profitably produced in the future, based on certain estimates and assumptions. Forward-looking statements may also prove to be inaccurate due to unforeseen market or economic factors, portfolio management decisions, modeling error, or other reasons. The Issuer does not represent or warrant that such forward-looking statements will be achieved or will prove to be correct. Actual future results and operations could vary materially from the forward-looking statements. Similarly, no representation or warranty is made that the assumptions on which the forward-looking statements are based may be reasonable. No audit, review or verification has been undertaken by the Issuer or an independent third party of the assumptions, data, results, calculations and forecasts presented or referred to herein.



Disclaimers (Cont'd)

Other General Disclaimers: This Information Flyer is offered to interested parties ("Interested Parties") for the sole purpose of providing an overview of an opportunity (the "Offering") to acquire equity security tokens ("Tokens") in Mineral Vault I Ltd ("Issuer"), a British Virgin Islands business company (collectively, the "Transaction"). The Offering is made only via an Offering Memorandum ("OM"), being separate from this Information Flyer, along with other documentation required for effectuation of the Transaction (the "Offering Documents"). All investors must read the Offering Documents in their entirety prior to investing in the Tokens. Investing in the Tokens is speculative and involves a risk of loss, and those investors who cannot afford to lose their entire investment should not invest, as returns are not guaranteed. The information contained in this Information Flyer ("Information") is for informational purposes only and does not constitute an obligation by Mineral Vault I Ltd to enter into any future transaction. The Information should not be relied upon by the recipient in considering the Transaction, and the recipient should consider its own financial situation when evaluating the Transaction. This Information Flyer does not constitute investment, legal, financial, tax, accounting or other counsel of any kind, and the recipient should conduct its own independent examination and assessment of the Information, including obtaining investment, legal, tax, accounting and such other counsel as it considers suitable. Issuer may change or otherwise modify the transaction process at any time prior to the Transaction without notice to the recipient, including but not limited to altering the dates of the process or terminating the process completely without defining any reason and without any liability to any Interested Party. Issuer believes the Information to be materially accurate at the time of publication and therefore presents it in the Information Flyer in good faith, but Issuer makes no representation or warranty as to the accuracy, completeness, timeliness or reliability of the contents of this Information Flyer or any Information provided during the course of the Transaction process. The Information has been prepared on the basis of various information sources, including both public and private information. Issuer has relied upon and assumed, without independent verification, the accuracy or completeness of all information relied upon, which does not claim to be all-inclusive or to contain all the information that may be relevant to the Transaction. The recipient acknowledges that conditions may change and that the Information may become out-of-date as a result. Issuer is under no obligation to update or correct this Information. Issuer is under no obligation to provide the recipient with access to any further information. Issuer shall have no liability for any representations (expressed or implied) other than those given by Issuer in the OM and Offering Documents related to the Transaction, for any direct written or oral communications with any Interested Parties in the course of their review of the Transaction, or for any implied terms or obligations arising from operation of law or otherwise. To the maximum extent permitted by law, Issuer accepts no liability (including, without limitation, any liability arising from fault or negligence on the part of the Issuer) for any loss whatsoever arising from the use of this Information Flyer or its contents or otherwise arising in connection with it or from the use of any other information provided throughout the course of the Transaction procedure. The recipient acknowledges that neither it nor Issuer intends that Issuer acts or be responsible as a fiduciary to the recipient, its management, stockholders, creditors or any other person. Each the recipient and Issuer, by accepting and providing this Information Flyer respectively, expressly disclaim any fiduciary relationship and agree that the recipient is responsible for making its own independent judgments with respect to the Transaction or any other matters relating to this Information Flyer. Subsequent modifications to this Information Flyer may be provided as deemed appropriate by Issuer.



Exhibit - Complete Well List

For a complete & exportable list of wells included in the offering, please access the link below:

mvfi-well-list.mineralvault.io

Please note that additional wells on presently-leased or newly-leased acreage may come online at any time, expanding the list. Additionally, some wells may go offline in the future if an operator determines that production is too low to continue to economically justify operating the well.