NOTICE OF SPECIAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

WITH RESPECT TO

THE SPECIAL MEETING OF SHAREHOLDERS OF

LIQUID META CAPITAL HOLDINGS LTD.

TO BE HELD ON APRIL 27, 2023

LIQUID META CAPITAL HOLDINGS LTD.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 27, 2023

TAKE NOTICE THAT a special meeting (the "**Meeting**") of the shareholders of Liquid Meta Capital Holdings Ltd. ("**Liquid Meta**" or the "**Corporation**") will be held on Thursday, April 27, 2023 at 10:00 a.m. (Toronto time) at 121 Richmond Street West, Suite 1300, Toronto, Ontario M5H 2K1 and broadcast via teleconference (listen only) at (647) 558-0588 (Canada) or (929) 205-6099 (US) (conference room number 862 6335 8999) for the following purposes:

1. to consider and, if deemed advisable, approve, with or without variation, a special resolution (the "**Stated Capital Reduction Resolution**") in the form set out in Schedule "A" to the accompanying management information circular dated March 27, 2023 (the "**Circular**"), authorizing and approving a reduction of the stated capital account of the common shares of the Corporation (the "**Shares**") by an aggregate amount equal to $10,767,449.20 pursuant to Section 74 of the *Business Corporations Act* (British Columbia) for the purposes of distributing such amount to holders of Shares by way of a return of capital, all as more particularly described in the Circular; and

2. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

Information relating to the items described above is set forth in the accompanying Circular. Only shareholders of record as of March 28, 2023, the record date, are entitled to receive notice of and to vote at the Meeting. Only shareholders whose names have been entered in the registers of shareholders on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder's shares will be voted at the Meeting is requested to complete, date and execute the enclosed form of proxy and deliver it by facsimile, by hand or by mail in accordance with the instructions set out in the form of proxy and in the Circular.

If you are a non-registered shareholder (being shareholders who hold their shares through a securities dealer or broker, bank, trust company or trustee, custodian, nominee or other intermediary) and a non-objecting beneficial owner, and receive a voting instruction form, please complete and return the voting instruction form provided to you in accordance with the instructions provided with the voting instruction form and in the Circular. If you are a beneficial shareholder and an objecting beneficial owner and have received these materials through your broker or through another intermediary, please complete and return the voting instruction form provided to you by your broker or other intermediary in accordance with the instructions provided therein.

The Corporation is offering an option for shareholders to listen to the Meeting by teleconference (listen only) at (647) 558-0588 (Canada) or (929) 205-6099 (US) (conference room number 862 6335 8999). Via teleconference, guests will be able to listen to the Meeting but will not be able to vote or ask questions. **If you intend to listen to the Meeting via teleconference, you must vote on the matters prior to the Meeting by proxy, appointing the person designated in the proxy form or voting instruction form. You will find important information and detailed instructions about how to participate in the Meeting in the Circular.**

It is desirable that as many Shares as possible be represented at the Meeting. You are encouraged to complete the enclosed form of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all forms of proxy must be delivered to the Proxy Department of Odyssey Trust Company, 702-67 Yonge St., Toronto, Ontario M5E 1J8 no later than 10:00 a.m. (Toronto time) on April 25, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting. Late forms of proxy may be accepted or rejected by the chair of the Meeting in his or her discretion, but he or she is under no obligation to accept or reject any particular late forms of proxy. As an alternative to completing and submitting a form of proxy or voting instruction form, you may vote electronically on the internet at http//:login.odysseytrust.com/pxlogin. Shareholders who wish to vote using the internet should follow the instructions in the enclosed form of proxy or voting instruction form.

DATED at Toronto, Ontario this 27th day of March, 2023.

By Order of the Board of Directors

(signed) *"Jonathan Wiesblatt"*
Jonathan Wiesblatt
Chief Executive Officer, President and Director

LIQUID META CAPITAL HOLDINGS LTD.

Management Information Circular for the Special Meeting of Shareholders to be held on Thursday, April 27, 2023

This Circular is provided in connection with the solicitation of proxies by management of Liquid Meta Capital Holdings Ltd. ("Liquid Meta" or the "Corporation") for use at the special meeting (the "Meeting") of the holders (the "Shareholders") of common shares of Liquid Meta (the "Shares"). The Meeting will be held on Thursday, April 27, 2023 at 10:00 a.m. (Toronto time) at 121 Richmond Street West, Suite 1300, Toronto, Ontario M5H 2K1 and broadcast via teleconference (listen only) at (647) 558-0588 (Canada) or (929) 205-6099 (US) (conference room number 862 6335 8999), or at such other time or place to which the Meeting may be postponed or adjourned, for the purposes set forth in the notice of meeting (the "**Notice of Meeting**") accompanying this Management Information Circular (the "**Circular**").

Information in this Circular is given as of March 27, 203, except as otherwise indicated herein. Unless otherwise indicated, dollar amounts or references to "$" are expressed in United States dollars.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is provided in connection with the solicitation of proxies by management of the Corporation for use at the Meeting. Such solicitation will be made primarily by mail, but proxies may be solicited personally or by telephone by directors ("**Directors**") and officers of the Corporation, who will not be remunerated therefore. The costs incurred in the preparation and mailing of the form of proxy (the "**Form of Proxy**"), voting instruction form, Notice of Meeting and this Circular will be borne by the Corporation. The cost of the solicitation will be borne by the Corporation.

Voting in advance of the Meeting using the Form of Proxy for registered holders and voting instruction form for beneficial holders in accordance with the instructions set out on your Form of Proxy or voting instruction form (each, an "Instrument of Proxy") will ensure your votes are counted at the Meeting.

We encourage you to make sure that your votes are represented at the meeting. Please take the time to vote using the Form of Proxy or voting instruction form sent to you in accordance with the instructions thereon so that your shares are voted according to your instructions and represented at the Meeting. As an alternative to completing and physically submitting an Instrument of Proxy, Shareholders may vote electronically via the Internet at http//:login.odysseytrust.com/pxlogin. Please follow the directions on the Instrument of Proxy.

Please see the information under the heading "Appointment, Time for Deposit and Revocation of Proxies" below for important details regarding voting at the Meeting.

The Board of Directors of the Corporation (the "**Board**") has fixed the close of business on March 28, 2023 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting (the "**Record Date**").

Participation at the Meeting

Shareholders may attend the Meeting virtually via teleconference instead of attending the Meeting in person. Please note that you will not be able to vote or ask questions via teleconference. If you intend to listen to the Meeting via teleconference, you must vote on the matters prior to the Meeting by proxy, appointing the person designated by management in the form of proxy or voting instruction form.

Appointment, Time for Deposit and Revocation of Proxies

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper instrument of proxy to the Proxy Department of Odyssey Trust Company, 702-67 Yonge St., Toronto, Ontario M5E 1J8. As an alternative to completing and submitting a proxy for use at the Meeting, a Shareholder may vote electronically on the internet at http//:login.odysseytrust.com/pxlogin. Votes cast electronically are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper Instrument of Proxy. Shareholders who wish to vote online should follow the instructions provided in the enclosed Instrument of Proxy. Votes cast electronically must be submitted no later than 10:00 a.m. (Toronto time) on April 25, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

The persons named as proxyholders in the Instrument of Proxy accompanying this Circular are Directors or officers of the Corporation and are representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) as his, her or its representative at the Meeting may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Instrument of Proxy; or (ii) completing another valid Instrument of Proxy. A Shareholder who appoints a proxy who is someone other than the management representatives named in the instrument of proxy should notify the nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the Instrument of Proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

In order to validly appoint a proxy, Instruments of Proxy must be deposited with the Corporation's transfer agent, Odyssey Trust Company, 702-67 Yonge St., Toronto, ON M5E 1J8, not later than 10:00 a.m. (Toronto time) on April 25, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting. After such time, the chair of the Meeting may accept or reject an Instrument of Proxy delivered to him or her in his or her discretion but is under no obligation to accept or reject any particular late Instrument of Proxy. A return envelope has been included with the material for the Meeting.

Legal Proxy – United States Non-Registered Shareholders

If you are a non-registered shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting instruction form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy form to Odyssey Trust Company. Requests for registration from non-registered shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to appointee@odysseytrust.com and received by 10:00 a.m. (Toronto time) on April 25, 2023.

Revoking a Proxy

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

(i) completing and signing a proxy bearing a later date and depositing it at the offices of Odyssey Trust Company, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof;

(ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly

authorized officer or attorney either with Odyssey Trust Company, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof or with the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment or postponement thereof; or

(iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

If a Shareholder has voted on the internet and wishes to change such vote, such Shareholder may vote again through such means before 10:00 a.m. (Toronto time) on April 25, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

Signature on Proxies

The Instrument of Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

A Shareholder forwarding the enclosed Form of Proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a Shareholder will be voted or withheld from voting in accordance with the instructions, if any, of the Shareholder on any ballot that may be called for. If the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly by the proxy.

In the absence of such direction in respect of a particular matter, such Shares will be voted IN FAVOUR OF PASSING THE RESOLUTIONS DESCRIBED IN THE INSTRUMENT OF PROXY AND BELOW. The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof. As of the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any such amendments, variations or other matters that are not now known to the management of the Corporation should properly come before the Meeting, the shares represented by the proxies hereby solicited will be voted thereon in accordance with the best judgment of the person or persons voting such proxies.

Unless otherwise stated, Shares represented by a valid Instrument of Proxy will be voted in favour of the Stated Capital Reduction Resolution.

All matters to be voted upon as set forth in the Notice of Meeting require approval by at least 66 2/3% of the votes cast at the Meeting, except as otherwise set out in this Circular.

Non-Registered Holders

Only registered holders of Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. Many Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National

Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Circular and the enclosed Form of Proxy (collectively the "**Meeting Materials**") to Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders of Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Shareholders. A Non-Registered Shareholder who has not waived the right to receive the Meeting Materials will either be given:

(a) a voting instruction form **that is not signed by the Intermediary** and that, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, in accordance with the directions of the Intermediary, will constitute voting instructions which the Intermediary must follow; or

(b) a Form of Proxy **that has already been signed by the Intermediary** (typically a facsimile signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. This form of proxy does not require the Intermediary to sign when submitting the proxy. In this case the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Corporation, c/o Odyssey Trust Company, 702-67 Yonge St., Toronto, ON M5E 1J8**.

In either case, the purpose of these procedures is to permit the Non-Registered Shareholder to direct the voting of the shares of the Corporation the Non-Registered Shareholder beneficially owns. Should a Non- Registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert his or her name in the space provided for the purpose on the voting instructions form and return it in accordance with the directions of the Intermediary. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Non-Registered Shareholders.

The Non-Registered Shareholder should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instructions form is to be delivered.

A Non-Registered Shareholder may revoke an Instrument of Proxy given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of an Instrument of Proxy, the written notice should be received by the Intermediary well in advance of the Meeting.

Non-Objecting Beneficial Owners

These Meeting Materials are being sent to both registered and non-registered owners of the securities. If you are a Non-Registered Shareholder who does not object to the Corporation knowing who you are, the Corporation has sent these materials directly to you, and your name and address and information about your holdings of securities have been obtained in accordance with NI 54-101 from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

Quorum

The presence of at least two Shareholders or proxyholders entitled to cast votes at the Meeting holding a minimum of 5% of the outstanding Shares entitled to vote thereat will constitute a quorum. The Corporation's list of Shareholders as of the Record Date has been used to deliver to Shareholders the Circular as well as to determine who is eligible to vote.

Voting Shares and Record Date

Shareholders of record as of the Record Date are entitled to receive the Notice and to attend and vote at the Meeting. The failure of any Shareholder to receive a copy of the Notice does not deprive the Shareholder of the right to vote at the Meeting. Only holders of Shares as of the Record Date are entitled to vote such Shares at the Meeting.

As at the Record Date, Liquid Meta had 53,837,246 issued and outstanding Shares, each of which carries the right to one vote in respect of each of the matters properly coming before the Meeting. The Shares are the voting shares of Liquid Meta that are issued and outstanding as of the Record Date.

Principal Holders of Voting Securities

To the knowledge of the Directors and officers of Liquid Meta, as at the date of this Circular, no person or corporation beneficially owns, or exercises control or direction over, directly or indirectly, more than 10% of the issued and outstanding Shares other than:

Name	Number of Shares Owned or Controlled	Percentage of Outstanding Shares[1]
Nico Nolledo[2] *Makati City, Philippines*	14,928,999	27.72%

Notes:

(1) Percentage is based on there being 53,837,246 Shares issued and outstanding as of the Record Date.

(2) Mr. Nolledo holds these Shares personally and through Eden International Holdings Ptd. Ltd. and Wi-Zone International Limited, each of which are entities owned and controlled by Mr. Nolledo.

MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice of Meeting. These matters are described in turn under the headings below.

Stated Capital Reduction Resolution and Distribution - General

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve the Stated Capital Reduction Resolution authorizing and approving the reduction of the stated capital account of the Shares by an aggregate amount equal to $10,767,449.20 (the "**Reduction in Stated Capital**") pursuant to Section 74(1)(b) of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") for purposes of distributing such amount to the Shareholders (the "**Distribution**").

Based on the number of issued and outstanding Shares as of the Record Date, holders of Shares as of the close of business on a date to be determined by the Board (the "**Distribution Record Date**") are expected to receive $0.20 per Share. The Distribution represents an expected aggregate payment of $10,767,449.20 to holders of Shares pursuant to section 74 of the BCBCA derived from certain cash on the balance sheet of the Corporation.

If the Stated Capital Reduction Resolution is approved by holders of Shares at the Meeting, the Board intends to confirm the Reduction in Stated Capital for purposes of declaring and effecting the Distribution as soon as practicable following the Meeting. The confirmation and declaration of the Distribution by the Board, including the actual amount of the Distribution, will be subject to applicable laws and the exercise by the Board of its fiduciary duties. As soon as reasonably practicable following such confirmation and declaration, the Corporation will issue a news release announcing the amount of the Distribution, the Distribution Record Date and the payment date for the Distribution.

Applicable policies of the NEO Exchange Inc. ("**NEO**") provide that listed issuers generally must use "due bills" in connection with cash distributions to Shareholders where the amount to be distributed is more than 25% of the current trading price of an issuer's listed shares. The Corporation expects that the NEO will require the Corporation to use due bills in respect of the Distribution. Due bills represent entitlements to cash, and will attach to Shares between the first trading day prior to the Distribution Record Date and the payment date for the Distribution, allowing Shares to carry the value of the entitlement to the Distribution until it is paid. When due bills are used, the ex-distribution date is deferred to the first trading day after the payment date. The Distribution is currently expected to be paid in or about early May 2023,

and the Shares are expected to commence trading "ex-distribution" on the NEO in or about early May 2023. The foregoing dates for the Distribution are subject to change; the definitive dates will be announced by the Corporation by way of news release.

Background to the Reduction of Stated Capital

On December 21, 2022, the Corporation announced that its Board initiated a process to evaluate potential strategic alternatives to preserve or maximize shareholder value and consider a range of options for the Corporation including, but not limited to, a sale, merger, divestiture, return of capital, other strategic transaction, or continuing to operate as an independent public company (the "**Strategic Review**"). In order to preserve its cash position, the Corporation also announced that it discontinued the development of the MetaBridge, as well as any other related development work, and taking other actions to immediately reduce the cash burn of the Corporation pending the conclusion of the Strategic Review.

On March 9, 2023, the Corporation announced that its Board had concluded the initial phases of its Strategic Review, which included a canvas of various strategic alternatives currently available to the Corporation, including, but not limited to returning capital to Shareholders, the potential sale, merger, divestiture of the Corporation or to continue to operate as an independent public company. Following the completion of the initial phases of its Strategic Review, the Board determined that it is in the best interest of the Corporation to return capital to its Shareholders by way of a reduction in stated capital of the Corporation.

In connection with the Reduction in Stated Capital and the Distribution, the Corporation is discontinuing its business and ceasing all operations as a decentralized finance infrastructure and technology company. As a result of this discontinuance, and further to the discontinuance of its development of the MetaBridge (and other related development work) as announced by the Corporation in its news release dated December 21, 2022, the Corporation will cease to have any direct or indirect equity interest in an active business. The Corporation has not invested in another active business. The Corporation believes that the Distribution is a natural progression and is in the best interests of the Corporation and its Shareholders.

The funds being distributed pursuant to the Distribution represent a substantial portion of the Corporation's assets. Apart from approximately $4.5 million in cash and cash-equivalents remaining following the Distribution, the Corporation's assets will consist of intangible assets formerly used in its now-dormant business operations (the "**Intangible Assets**") and its contingent right to receive payments in respect of FTX Trading Ltd.'s outstanding bankruptcy proceeding (the "**Litigation Rights**"). The Corporation is not distributing the Intangible Assets or the Litigation Rights pursuant to the Distribution because it continues to determine the manner in which it should be dealt with so as to preserve and maximize value for its Shareholders as part of its Strategic Review. Similarly, the Corporation will retain the balance of the funds on hand for the purpose of maintaining the Corporation as a reporting issuer in good standing under applicable securities laws, and for payment of taxes and other expenses as they come due, which it believes will preserve and maximize value for its Shareholders.

After completion of the Distribution, it is the Corporation's intention to pursue business opportunities other than carrying on the business of a decentralized finance infrastructure and technology company. There can be no assurances that the Corporation will be able to enter into any such opportunities or transactions. The Board also plans to continue its Strategic Review in order to further preserve and maximize value for its Shareholders. Other than as described herein, the Corporation has not made any decisions related to other strategic alternatives at this time and there can be no assurance that the continued evaluation of strategic alternatives will result in any strategic alternative, or any assurance as to its outcome or timing. In the future, the Board may consider making additional distributions if in the best interests of the Corporation to do so, subject to the amount of available capital, the provisions of the BCBCA and the *Income Tax Act* (Canada) (the "**Tax Act**") and the receipt of all regulatory, NEO and shareholder approvals. There can be no assurances any such additional distributions will occur. The Corporation has not set a timetable for completion of the process and does not intend to disclose further developments related to the Strategic Review unless and until the Strategic Review has been completed or the Board has concluded it is necessary or appropriate.

Purpose of the Reduction in Stated Capital

The Corporation intends to distribute $0.20 per Share derived from certain cash on the balance sheet of the Corporation to holders of Shares, representing a payment of $10,767,449.20 in aggregate (based on the number of issued and outstanding Shares as of the Record Date of the Meeting). In order to distribute the cash in the most tax-efficient manner

for Shareholders, the Corporation is proposing the Reduction in Stated Capital. Approval of the Stated Capital Reduction Resolution is required to enable the Distribution. If Shareholders do not approve the Stated Capital Reduction Resolution at the Meeting, the Corporation will not be able to complete the Distribution on the terms and on the timing currently proposed.

The Corporation believes that the Distribution, by way of the Reduction in Stated Capital, represents an appropriate use of its financial resources in order to preserve value for Shareholders and to return an amount of cash to Shareholders in the most tax-efficient manner possible. Following the Distribution and the consequential discontinuance of its current business, the resulting financial resources of the Corporation are expected to be sufficient to carry on as a reporting issuer under applicable securities laws and to satisfy all of the Corporation's liabilities and obligations for the reasonably foreseeable future.

At the Meeting, or any adjournment or postponement thereof, Shareholders will only be asked to approve the Stated Capital Reduction Resolution. If any other items of business are properly brought before the Meeting, or any adjournment or postponement thereof, Shareholders will be asked to vote on such business. The Corporation is not aware of any other items of business at this time.

Effect of the Distribution

The stated capital account of the Shares is currently $24,505,884. If the Stated Capital Reduction Resolution is approved by holders of Shares at the Meeting, in connection with the Distribution holders of Shares will receive an amount of $0.20 per Share, resulting in an aggregate expected Distribution of $10,767,449.20 (based on the number of issued and outstanding Shares as of the Record Date). After giving effect to the Reduction in Stated Capital, the aggregate stated capital of the Shares is expected to be $13,738,434.80.

Absent other factors, the Distribution is expected to decrease the per share market price of the Shares by the amount of the Distribution, being $0.20 per Share.

Prohibitions under the BCBCA

Prohibition on Reduction in Stated Capital under the BCBCA

The BCBCA provides that a corporation shall not reduce its stated capital if there are reasonable grounds for believing that the realizable value of the corporation's assets would, after the reduction, be less than the aggregate of its liabilities.

As of the date of this Circular, the Corporation does not have reasonable grounds to believe that, after giving effect to the Reduction in Stated Capital, the realizable value of the Corporations assets would be less than the aggregate of its liabilities.

Prohibition on Declaring a Dividend under the BCBCA

The BCBCA also provides that the directors of a corporation shall not declare and a corporation shall not pay a dividend if there are reasonable grounds for believing that (a) the corporation is insolvent; or (b) the payment of the dividend would render the corporation insolvent.

As of the date of this Circular, the Corporation does not have reasonable grounds to believe that, at the time at which the Board would declare the Distribution or at the time after which the Corporation would pay the Distribution, the Corporation would be insolvent.

Tax Consequences

For a description of the principal Canadian federal income tax considerations applicable to the holders of Shares in connection with the Distribution, see "*Certain Canadian Federal Income Tax Considerations*".

Approval of Reduction in Stated Capital

The text of the Stated Capital Reduction Resolution shall be substantially as attached hereto as Schedule "A". Pursuant to Section 74(1)(b) of the BCBCA, the Stated Capital Reduction Resolution must be approved by a special majority of not

less than two-thirds of the votes cast by holders of Shares at the Meeting in person or by proxy. Approval of the Stated Capital Reduction Resolution is required to enable the Distribution. If Shareholders do not approve the Stated Capital Reduction Resolution at the Meeting, the Corporation will not be able to complete the Distribution on the terms and on the timing currently proposed.

Notwithstanding the foregoing, the Stated Capital Reduction Resolution proposed for consideration by the holders of Shares authorizes the Board, without further notice to or approval of the Shareholders, to reduce, revoke or abandon (but not increase the aggregate amount of) the Stated Capital Reduction and the Distribution at any time prior to its being given effect.

The Board has unanimously determined that the Reduction in Stated Capital and the Distribution are in the best interests of the Corporation. The Corporation believes that the Distribution represents an appropriate use of its financial resources following completion of the initial phases of its Strategic Review in order to maximize value for Shareholders. The resulting financial resources of the Corporation following payment of the Distribution are expected to be sufficient to carry on as a reporting issuer under applicable securities laws and to satisfy all of the Corporation's liabilities and obligations.

Recommendation of the Board

The Board has unanimously determined that the Reduction in Stated Capital and Distribution are in the best interests of the Corporation and unanimously recommends that the Shareholders vote FOR the Stated Capital Reduction Resolution. It is the intention of the persons named in the enclosed Form of Proxy or voting instruction form, as applicable, to vote the proxy FOR the Stated Capital Reduction Resolution at the Meeting, if not expressly directed to vote to the contrary in such form of proxy or voting instruction form, as applicable.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax consequences generally applicable under the provisions of the Tax Act to a holder of Shares who receives the Distribution comprised of the Distribution, and who, at all relevant times, for the purposes of the Tax Act, holds the Shares as capital property and deals at arm's length and is not affiliated with the Corporation (a "**Holder**"). Generally, the Shares will be considered to be capital property to a Holder provided that the Holder does not use or hold the Shares in the course of carrying on a business and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Holders who do not hold their Shares as capital property should consult their own tax advisors with respect to their own particular circumstances.

This summary is not applicable to a Holder: (i) that is a "financial institution" for purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" (as defined in the Tax Act); (iii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iv) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; or (v) that has entered into or will enter into, with respect to the Shares, a "derivative forward agreement" or "synthetic disposition arrangement" (as those terms are defined in the Tax Act). Such Holders should consult their own tax advisors.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing by the CRA and publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies or assessing practices of the CRA, whether by way of judicial, legislative or governmental decision or action. This summary is not exhaustive of all possible Canadian federal income tax considerations and does not take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ materially from those described in this summary.

This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder, and no representations concerning the tax consequences to any particular Holder are made. Holders should consult their own tax advisors regarding the tax considerations applicable to them having regard to their particular circumstances.

Reduction in Stated Capital and Distribution

The achievement of the intended tax treatment of the Distribution to Holders depends on the "paid-up capital" of the Shares as further referenced below, and on a number of other important assumptions, including those referenced below. No third-party determination of paid-up capital has been sought or obtained, and no legal opinion or advance tax ruling has been sought or obtained with respect to the various assumptions or the tax treatment of the Distribution. Accordingly, it is possible that the actual tax treatment under the Tax Act could be different from the intended tax treatment. All Holders are advised to consult with their own tax advisors in this regard in light of their particular circumstances.

Distributions made by corporations that are "public corporations" for purposes of the Tax Act, such as the Corporation, are generally characterized as taxable dividends for the purposes of the Tax Act, unless a specific exemption applies. Subsection 84(2) of the Tax Act provides, in effect, that a distribution made to shareholders on a "winding-up, discontinuance or reorganization of its [the Corporation's] business", will not be taxed as a dividend so long as the amount or value of the funds distributed does not exceed the amount by which the "paid-up capital", as defined for the purposes of the Tax Act (the "**PUC**"), of the relevant shares is reduced on the distribution.

It is noted that the Distribution is being made by the Corporation in connection with the Corporation ceasing all operations as a decentralized finance infrastructure and technology company and pursing other business opportunities, as described under "Matters To Be Acted Upon At the Meeting – Background to the Reduction of Stated Capital" in this Circular. Management believes that the Distribution is effectively being made on the discontinuance or reorganization of the Corporation's business, although no legal opinion or advance tax ruling has been sought or obtained in this regard.

Subsection 84(4.1) of the Tax Act also applies in certain circumstances to deem a return of PUC by a public corporation (such as the Corporation) to be a dividend. However, subsection 84(4.1) of the Tax Act should not apply where the provisions of subsection 84(2) apply. The CRA has also stated or implied that a factor of some importance would be to establish that the return of PUC is a one-time transaction made outside of the ordinary course of the taxpayer's business, and not in lieu of ordinary-course dividends. The Corporation did not declare a dividend at any time while operating its business as a decentralized finance infrastructure and technology company, and Management believes that the Distribution is such a one-time transaction made outside the ordinary course of business and not in lieu of ordinary-course dividends, although no legal opinion or advance tax ruling has been sought or obtained in this regard.

PUC is computed according to the relevant provisions of the Tax Act. The general starting point for computing PUC is the stated capital of the Shares for corporate law purposes, which amount is then subject to adjustment according to detailed rules contained in the Tax Act.

Management believes that the PUC of the Shares will exceed the amount of the Distribution on the date the Distribution is effected, and it is therefore assumed that no dividend will be considered or deemed to arise for purposes of the Tax Act with respect to the Distribution, although no legal opinion or advance tax ruling has been sought or obtained in this regard.

The summary of tax consequences set out below assumes that:

- the Distribution is made on a "winding up, discontinuance or reorganization" of the Corporation's business;
- the Distribution is a one-time transaction made outside the ordinary course of business and not in lieu of ordinary-course dividends; and
- the PUC of the Shares will exceed the amount of the Distribution on the date the Distribution is effected.

Therefore, the summary of tax consequences set out below assumes that the Distribution is treated as a return of PUC under subsection 84(2) of the Tax Act and not deemed to give rise to a dividend (or a taxable shareholder benefit) under the Tax Act. However, the validity of these assumptions is not free from doubt under the Tax Act or CRA policy, and no legal opinion or advance tax ruling has been sought or obtained in this regard, or with respect to any of the assumptions made in this summary.

If the Distribution is treated as a dividend (including a deemed dividend) or taxable shareholder benefit under the Tax Act, the tax results to Holders would be materially different, and likely materially adverse, compared to those set out in the summary of tax consequences below. Such potentially different and adverse tax treatment is not further referenced or discussed in this summary, and Holders should consult their own tax advisors in this regard.

Resident Holders

The following is a discussion of the consequences under the Tax Act to Holders who, for the purposes of the Tax Act and at all relevant times, are resident or deemed to be resident in Canada ("**Resident Holders**").

Distribution

The Distribution as a return of PUC will reduce the adjusted cost base of a Resident Holder's Shares by an amount equal to the Distribution distributed to or for the benefit of such Holder. If the amount so required to be deducted from the adjusted cost base of the Shares to a particular Resident Holder exceeds the Resident Holder's adjusted cost base of such Shares for purposes of the Tax Act, the excess will be deemed to be a capital gain realized by such Resident Holder from a disposition of the Shares. Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**"). A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) or a "substantive CCPC" (as defined in the Tax Proposals) may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including taxable capital gains. Capital gains realized by an individual or certain trusts may give rise to a liability for alternative minimum tax.

Non-Resident Holders

The following portion of this summary is applicable to a Holder who, for the purposes of the Tax Act and any applicable tax treaty or convention and at all relevant times, is not resident or deemed to be resident in Canada and does not use or hold (and is not deemed to use or hold) the Shares in connection with a business carried on in Canada (a "**Non-Resident Holder**"). This summary does not apply to a Non-Resident Holder that carries on an insurance business in Canada and elsewhere and such holders should consult their own tax advisors.

Distribution

The amount received by a Non-Resident Holder on the Distribution will not be subject to Canadian federal income tax but will reduce the adjusted cost base of the Shares held by the Non-Resident Holder. If the amount by which the adjusted cost base of the Shares is reduced were to exceed the Non-Resident Holder's adjusted cost base of such Shares, the excess will be deemed to be a capital gain realized by such Non-Resident Holder from a disposition of the Shares, and the Non-Resident Holder's adjusted cost base of the Shares would then be nil.

A Non-Resident Holder will not be subject to Canadian federal income tax under the Tax Act on any capital gain realized on any deemed disposition of a Share that results from the Distribution unless such Share constitutes "taxable Canadian property" (as defined by the Tax Act) to the Non- Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax convention. Provided that the Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which includes the NEO) at a particular time, the Shares generally will not constitute taxable Canadian property to a Non-Resident Holder at that time unless, at any time during the five year period immediately preceding that time: (i) 25% or more of the issued shares of any class or series of the Corporation's capital stock were owned by any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) more than 50% of the value of the Shares was derived, directly or indirectly, from one or any combination of (a) real or immovable property situated in Canada, (b) "Canadian resource properties", (c) "timber resource properties", and (d) options in respect of, or an interest in, any such property (whether or not the property exists), all for purposes of the Tax Act. A Non- Resident Holder's Shares can also be deemed to be taxable Canadian property in certain circumstances set out in the Tax Act. Non-Resident Holders whose Shares may constitute taxable Canadian property should consult their own tax advisors.

RISK FACTORS

Consummation of the transactions contemplated by the Stated Capital Reduction Resolution as set out in this Circular are subject to a number of risks. Shareholders should carefully consider the risks described below in evaluating whether or not to approve the Stated Capital Reduction Resolution.

The Board May Decide Not to Proceed with the Distribution or May Reduce the Reduction in Stated Capital and Distribution

Notwithstanding approval of the Stated Capital Reduction Resolution by the holders of Shares, the Board will retain the discretion to defer acting on the Stated Capital Reduction Resolution or to reduce, revoke or abandon the Reduction in Stated Capital and Distribution, without any further approval from the Shareholders, if it determines that such transactions are no longer in the best interests of the Corporation. As a result, the Board may in its sole discretion determine to, among other things, reduce the aggregate amount of the Reduction in Stated Capital and Distribution, defer the proposed timing for the Distribution or choose not to proceed with the Distribution.

As well, the Board may not be permitted under the BCBCA (i) to reduce its stated capital (and therefore effect the Distribution) if there are reasonable grounds for believing that the realizable value of the corporation's assets would, after the reduction, be less than the aggregate of its liabilities, and (ii) to declare or pay a dividend if there are reasonable grounds for believing that (a) the corporation is insolvent; or (b) the payment of the dividend would render the corporation insolvent . As of the date of this Circular, the Corporation does not have reasonable grounds to believe that (i) after giving effect to the Reduction in Stated Capital, the Corporation would be unable to pay its liabilities as they become due or that the realizable value of the Corporations assets would be less than the aggregate of its liabilities, and (ii) at the time at which the Board would declare the Distribution or at the time after which the Corporation would pay the Distribution, the Corporation would be unable to pay its liabilities as they become due or that the realizable value of the Corporation's assets would be less than the aggregate of its liabilities and its stated capital of all classes.

Amount and Timing of Distribution is Uncertain

The Corporation intends to distribute $0.20 per Share to holders of Shares by way of the Reduction of Stated Capital and the Distribution. While the Corporation currently expects the Distribution to take place as soon as practicable after the approval of the Stated Capital Reduction Resolution at the Meeting and the receipt of all required regulatory approvals, the timing of such Distribution will be determined by the Board of Directors, and there can be no certainty, and the Corporation cannot provide any assurance, as to if, and when, such Distribution will take place.

In addition, the amount available for the Distribution may be reduced if the Corporation's expectations and/or estimates of the timing of the Distribution proves inaccurate. The Corporation does not currently have any business operations and is evaluating its options with respect to any future business operations. In the event that such an opportunity arises that the Board of Directors considers to be in the best interests of the Corporation, additional capital may be retained if required to complete any such opportunity. There can be no assurances that any such opportunity will present itself, or that the Corporation will be able to take advantage of it if it does.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

The following table sets forth, as of the Record Date, information known to us regarding the beneficial ownership of securities of the Corporation of each director or executive officer of the Corporation who may be considered to have a material interest in the Reduction in Stated Capital by way of such beneficial ownership.

Name and Position with the Corporation	Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercise[(1)]	Approximate amount of Distribution
Jonathan Wiesblatt *Chief Executive Officer, President and Director*	1,748,867	$349,773
Nicolas del Pino *Director*	1,748,867	$349,773
David Prussky *Director*	750,000	$150,000
Clara Bullrich *Director*	100,000	$20,000
Sendy Shorser *Chief Financial Officer and Corporate Secretary*	10,000	$2,000

Notes:
(1) The information in this table with regard to the shareholdings of each named individual, not being within the knowledge of the Corporation, has been furnished by the individuals or aggregated from public sources.

ADDITIONAL MATTERS

Indebtedness of Directors and Executive Officers

No individual who is, or at any time during the financial year ended May 31, 2022 was, a Director or executive officer of Liquid Meta, or any associate of any of them is, or at any time since the beginning of the financial year ended May 31, 2022 has been, indebted to Liquid Meta or any of its subsidiaries or was indebted to another entity, which indebtedness is, or was at any time during the financial year ended May 31, 2022, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Liquid Meta or any of its subsidiaries.

Interest of Informed Persons in Material Transactions

Other than as described herein, to the best of the Corporation's knowledge, no Director or executive officer of Liquid Meta, nor any other insider of Liquid Meta, nor any associate or affiliate of any one of them, has or has had, at any time since the beginning of the financial year ended May 31, 2022, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect Liquid Meta or any of its subsidiaries.

Auditor

RSM Canada LLP has been the auditor of the Corporation since July 22, 2022.

Additional Information

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for the most recent fiscal year.

Additional financial information is provided in the Corporation's financial statements and management's discussion and analysis, which are available under the Corporation's SEDAR profile at www.sedar.com or by request to the Corporation's registered office at the following address: Liquid Meta Capital Holdings Ltd., 700-401 West Georgia Street, Vancouver, British Columbia, V6B 5A1, Attn: Chief Executive Officer, telephone: 647-203-9190.

Board Approval

The Board has approved this Circular and the sending thereof to the Shareholders. Where information contained in this Circular rests particularly within the knowledge of a person other than Liquid Meta, Liquid Meta has relied upon information furnished by such person.

Dated as of March 27, 2023.

(signed) *"Jonathan Wiesblatt"*
Jonathan Wiesblatt
Chief Executive Officer, President and Director

SCHEDULE "A"

STATED CAPITAL REDUCTION RESOLUTION

BE IT RESOLVED, AS A SPECIAL RESOLUTION THAT:

1. Liquid Meta Capital Holdings Ltd. (the "**Corporation**") is hereby authorized to reduce the stated capital account maintained by the Corporation in respect of the common shares in the capital of the Corporation (the "**Shares**") by an aggregate amount equal to US$10,767,449.20 pursuant to Section 74(1)(b) of the *Business Corporations Act* (British Columbia) (the "**Reduction in Stated Capital**") for the purpose of distributing to holders of Shares an aggregate amount equal to US$10,767,449.20 (the "**Distribution**") if, as and when determined by the board of directors of the Corporation, in its sole discretion, and the stated capital account in respect of the Shares shall be adjusted to reflect the Reduction in Stated Capital, all as more particularly set forth in the management information circular of the Corporation dated March 27, 2023;

2. notwithstanding that this special resolution has been approved by the holders of Shares, the board of directors of the Corporation are hereby authorized and empowered, at their sole discretion, to defer acting on this special resolution or to reduce, revoke or abandon (but not increase the aggregate amount of) the Reduction in Stated Capital or Distribution prior to its being given effect without any further notice to or approval, ratification or confirmation by the holders of Shares; and

3. any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, agreements and instruments, and to perform or cause to be performed all such acts and things, as such officer or director shall determine to be necessary or desirable to give full effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the performing or causing to be performed of such other acts or things.