

*This Offering Document (the “Offering Document”) constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. This Offering Document is not, and under no circumstances is to be construed as a prospectus or advertisement or a public offering of these securities.*

**AMENDED AND RESTATED OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING  
EXEMPTION  
(AMENDING AND RESTATING THE OFFERING DOCUMENT DATED JANUARY 17, 2024)**

February 2, 2024  
**CRYPTOSTAR CORP.**  
(the “Issuer” or “we”)

**SUBSCRIPTION PRICE: \$0.04 PER UNIT**

**What are we offering?**

<b>Offering:</b>	Units (“Units”) of the Issuer, with each Unit being comprised of one common share of the Issuer (a “Share”) and one common share purchase warrant of the Issuer (a “Warrant”). Each Warrant will be exercisable to acquire an additional Share (each a “Warrant Share”, and together with the Units, Shares and Warrants, the “Securities”) at an exercise price of \$0.07 per Warrant for a period of 36 months from the date of closing.
<b>Offering Price:</b>	\$0.04 per Unit.
<b>Offering Amount:</b>	Up to 50,000,000 Units, for gross proceeds of up to \$2,000,000 (the “Offering”).
<b>Closing Date:</b>	Closing shall occur in one or more tranches, with the first tranche expected to close on or around February 16, 2024.
<b>Exchange:</b>	The Shares of the Issuer are listed on the TSX Venture Exchange (the “TSX-V”), under the symbol “CSTR” and the OTCQB Venture Market under the trading symbol “CSTXF”. The Warrants are not listed on any exchange.
<b>Last Closing Price:</b>	The closing price of the Shares on the TSX-V on February 1, 2024 was \$0.04.
<b>Description of Shares</b>	The holders of Shares are entitled to: (i) receive dividends as and when declared by the board of directors of the Issuer, out of the moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine; (ii) in the event of the dissolution, liquidation or winding-up of the Issuer, whether voluntary or involuntary, or any other distribution of the assets of the Issuer among its shareholders for the purpose of winding-up its affairs, receive the remaining property and assets of the Issuer; and (iii) receive notice of and to attend all meeting of the shareholders of the Issuer and to have one vote for each Share held at all meetings of the shareholders of the Issuer, except for meeting at which only holders of another specified class or series of common shares of the Issuer are entitled to vote separately as a class or series.
<b>Description of Warrants</b>	Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.07 until 5:00 p.m. (Toronto time) on the date that is 36 months following the date of closing, after which time the Warrants will be void and of no value. The Warrants will be governed by the terms and conditions set out in the certificate representing the Warrants (the “Warrant Certificates”) delivered to you at the closing of the Offering. The Warrant Certificates will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain customary events.  No fractional Warrants Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Issuer or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant

	Certificate. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Shares.
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*No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.*

*The Securities and the Warrant Shares issuable upon the exercise of the Warrants, have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, absent an exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. person unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available at the time of exercise. Securities issued to, or for the account or benefit of, a U.S. person or a person in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act subject to certain restrictions on transfer set forth therein, and may be represented by definitive certificates or other instruments bearing a legend regarding such restrictions.*

The Issuer is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions*. In connection with this Offering, the Issuer represents the following is true:

- The Issuer has active operations, and its principal asset is not cash, cash equivalents or its exchange listing.
- The Issuer has filed all periodic and timely disclosure documents that it is required to have filed.
- The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this Offering Document, will not exceed \$5,000,000.
- The Issuer will not close this Offering unless the Issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.
- The Issuer will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Issuer seeks security holder approval.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Document contains forward-looking information or forward-looking statements (collectively, “**forward-looking statements**”) within the meaning of applicable Canadian securities laws, including statements as to the Issuer’s current intentions regarding its business objectives, use of available funds (including use of the proceeds of the Offering), and payment of compensation to certain finder’s in connection with the Offering. Such forward-looking statements, relate to the Issuer’s beliefs, plans, expectations, anticipations, estimations and intentions, and may include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Statements with the words “could”, “expect”, “may”, “will”, “anticipate”, “assume”, “intend”, “plan”, “believes”, “estimates”, “guidance”, “foresee”, “continue” and similar expressions are intended to identify statements containing forward looking information, although not all forward-looking statements include such words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements are not historical facts but instead represent management’s expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include but are not limited to the risk factors described in greater detail below. In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Offering Document. Prospective investors should carefully consider all information contained in this Offering Document including information contained in the section entitled “Cautionary Note Regarding Forward-Looking Statements”, before deciding to purchase the Units. Additionally, purchasers should consider the risk factors set forth below and if purchasers would like additional information related to such risks, the Issuer recommends they review the section titled “Business Risks and Uncertainties” in the Issuer’s most recent Management Discussion and Analysis (MD&A), which may be accessed on the Issuer’s SEDAR+ profile at [www.sedarplus.ca/](http://www.sedarplus.ca/).

**Risks which may impact the forward-looking information contained in this Offering Document include the following:**

### ***Credit Risk***

Financial instruments that potentially subject the Issuer to a concentration of credit risk consist primarily of cash and accounts receivable and others. The Issuer limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

The Issuer’s maximum exposure to credit risk at the end of any period is equal to the carrying amount of these financial assets as recorded in the condensed interim consolidated statements of financial position.

### ***Liquidity Risk***

Liquidity risk is the risk that the Issuer will not be able to meet its financial obligations as they fall due. The Issuer currently settles its financial obligations out of cash. The ability to do this relies on the Issuer scaling to become profitable or raising additional equity in excess of anticipated cash needs. The Issuer’s cash is held in corporate bank accounts available on demand.

### ***Market Risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk. These are discussed further below.

### ***Interest Rate Risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Issuer is not exposed to significant interest rate risk relating to its payable to related party and trade payable and accrued liabilities. The interest rate on the payable to related party is fixed, and the trade payable and accrued liabilities are not subject to any interest. A 10% change in the interest rate would not result in a material impact on the Issuer's operations.

### ***Foreign Currency Risk***

As of the date hereof, portions of the Issuer's financial assets and liabilities are held in United States dollars and Canadian dollars. The Issuer's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in Canadian dollars. The Issuer does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not significant at this point in time.

### ***Digital Currency and Risk Management***

Digital currencies are measured based on their fair values, determined using the daily weighted close price for the digital currency on [www.bitcoincharts.com](http://www.bitcoincharts.com) and [www.coinmarketcap.com](http://www.coinmarketcap.com). Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Issuer is directly related to the current and future market price of digital currencies; in addition, the Issuer may not be able to liquidate its inventory of digital currency at its desired price if required. A decline in the market prices for digital currencies could negatively impact the Issuer's future operations. The Issuer has not hedged the conversion of any of its digital currency sales.

### ***Price Risk***

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Issuer is not exposed to any significant price risks with respect to its financial instruments.

### ***Market Risk for Securities***

The Issuer is a reporting issuer whose common shares are listed for trading on a stock exchange. There can be no assurance that an active trading market for the Issuer's common shares will be sustained in the future. The market price for the Issuer's common shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Issuer's securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

### ***Global Economic and Political Risk***

Economic slowdown, the downturn of global capital markets and political instability could make raising of capital through equity or debt financing more difficult. The Issuer will be dependent upon capital markets to raise additional financing in the future. The Issuer is subject to liquidity risks in meeting developmental and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Issuer and its management. If uncertain market conditions persist, the Issuer's ability to raise capital could be jeopardized resulting in an adverse impact on the Issuer's operations and the price of the Issuer's common shares.

## ***Share Price Volatility Risk***

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly cryptocurrency companies, like the Issuer, have experienced wide fluctuations that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

## **SUMMARY DESCRIPTION OF BUSINESS**

### **What Is Our Business?**

The Issuer is a Canadian publicly traded corporation that operates in the distributed ledger technology space, utilizing specialized equipment (“**Miners**”) to perform computationally intensive cryptographic operations to validate transactions on the Blockchain (a process known as “mining” or “crypto mining”), receiving digital currencies as compensation (primarily Bitcoin).

The Issuer has cryptocurrency mining operations and data centre hosting facilities located in Canada and the USA and the company is currently dedicated to becoming one of the lowest cost cryptocurrency producers in North America. In terms of hosting operations, the Issuer has equipment hosting agreements for an aggregate mining capacity of approximately 8 MW located at its award-winning data centre facilities in Utah, USA. The Issuer provides equipment hosting services to customers worldwide, for which services the Issuer receives hosting fees. Hosting services provided by the Issuer include equipment hosting and management of data centre solutions for other cryptocurrency mining companies.

In terms of crypto-mining operations, the Issuer has an aggregate self-mining hashrate of 79.17 Petahash per second (PH/s) from ASIC Miners running at its data centers. The 79.17 PH/s of existing self-mining hashrate currently contributes USD\$191,017 per month in self-mining revenue for the Issuer.<sup>1</sup>

The Issuer currently utilizes the services of the VirgoCX, a registered crypto trading platform incorporated in Canada, for the purposes of buying digital currency or selling digital currency resulting from the Issuer’s mining operation.

The Issuer’s Shares are listed for trading on the TSX-V under the trading symbol “CSTR” and the OTCQB Venture Market under the trading symbol “CSTXF”.

### ***Mining and the Blockchain***

Mining is the process of solving complex mathematical equations to verify transactions occurring on certain Blockchains. The Blockchain is a type of distributed ledger technology or software whereby a decentralized ledger is used to verify and record transactions between users across a peer-to-peer network.<sup>2</sup> The continuously growing list of records on the ledger is protected from revision and tampering due to its decentralized nature.<sup>3</sup> The master ledger of a Blockchain is not stored in one place or controlled by one entity. Rather, every counterparty on the network receives an identical real-time copy of the ledger and the data in the ledger is made tamper-proof using cryptography. New states of the ledger are agreed upon by consensus among all parties and the entire process is automated using software.

Each block in the chain contains a record of some or all recent transactions and a reference to the block that immediately preceded it and these blocks are organized into a linear sequence that is known as the “Blockchain”. The Blockchain represents a complete, unbroken and transparent history of all transactions on the network. By including in each new block the code from the prior state of the ledger, a single unique code is created and links new blocks together. Any tampering of the historical state of the ledger can be automatically detected by the Blockchain software protocol.

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<sup>1</sup> Mining metrics are calculated based on a BTC to USD exchange rate of 1 BTC = USD\$42,896. See also <https://whattomine.com/>.

<sup>2</sup> Please see <https://blockchain.info/charts/hash-rate>.

<sup>3</sup> Please see <https://www.techbullion.com/blockchain-definition-origin-history/>.

In the Bitcoin network for example, transactions are recorded in new blocks that are added to the Blockchain. Counterparties use the Bitcoin software protocol to connect their computers (i.e., Miners) to a shared network that hosts a public transaction ledger. Miners compete to group transactions into blocks and to add these blocks to the Blockchain. The consensus algorithm in Bitcoin is known as Proof-of-Work (PoW), which is used to confirm new transactions and produce new blocks on the Blockchain. Each block consists of a list of transactions and must be accompanied by a PoW to be considered valid.

Miners act like accountants in updating the public ledger and are rewarded for doing so. In order to solve these transactions and add a block to the Blockchain, Miners use software programs to engage in mathematical calculations and confirm transactions included in a block's data. Miners collect blocks of transactions, and the hash of the previous block is added to the data set. Each block in the chain contains the hash of the previous block as well as a timestamp and transaction data. Additionally, Miners must add a "nonce", a single additional number that is used only once, resulting in a new hash that starts with a certain number of zeros. The required number of zeros is generated by the network, which sets this number based on the total processing power of all Miners. Miners run the hash calculation repeatedly to guess the unique nonce that results in a hash with the required number of zeros and the first Miner to find the solution earns the right to add their block to the Blockchain. A Miner's proposed block is added to the Blockchain once a majority of the nodes on the network confirms the Miner's work. Miners who successfully add a block to the Blockchain are awarded the cryptocurrency native to the network for their effort plus any transaction fees paid by transferors whose transactions are recorded in the block. This reward system is the method by which new coins enter into circulation.

### **Recent Developments**

On January 3, 2023, the Issuer renewed its line of credit (the "**Line of Credit**") with ACN 117 402 838 PTY LTD ("**ACN**") for a further 54-month term ending in June 2026. The Line of Credit is a revolving credit facility available to fund general corporate purposes with a maximum principal amount of approximately USD\$1.77 million. The Line of Credit bears interest at a rate of 12% per annum, payable monthly in arrears, together with a minimum monthly repayment of principal amount outstanding of USD\$32,776.73. As consideration for renewing the Line of Credit, the Issuer repaid USD\$196,660.37 of the principal amount outstanding of approximately USD\$1.97 million under the previous Line of Credit today.

On February 21, 2023, Messrs. Aurelio Useche and Christopher Malone were appointed to the Issuer's board of directors following the resignation of Warren Lorenz and Aly Madhavji.

On February 28, 2023, the board of directors of the Issuer appointed Mr. Jing Peng as Chief Financial Officer of the Issuer replacing Mr. Sean Harris.

For the fiscal year 2024, the Issuer is currently in the design and implementation stages to expand and optimize its self-mining capacity in its data centre in Utah, USA.

### **Material Facts**

David Jellins currently holds beneficial ownership of, or exercises control or direction over, directly or indirectly, 102,624,235 Shares, representing approximately 23.91% of the issued and outstanding Shares as of the date hereof,<sup>4</sup> or approximately 20.99%, on a partially diluted basis,<sup>5</sup> following completion of the Offering. Additionally, Mr. Jellins holds beneficial ownership of, or exercises control or direction over, directly or indirectly, 240,000 Warrants and 62,219,235 common share purchase options (representing 62,459,235 Shares, if exercised).

Amelie Jones currently holds beneficial ownership of, or exercises control or direction over, directly or indirectly, 102,624,235 Shares, representing approximately 23.91% of the issued and outstanding Shares as of the date hereof, or approximately 20.99%, on a partially diluted basis, following completion of the Offering. Additionally, Ms. Jones

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<sup>4</sup> 429,016,069 Shares are issued and outstanding as of the date hereof.

<sup>5</sup> Assuming exercise of the Warrants issued pursuant to the Offering.

holds beneficial ownership of, or exercises control or direction over, directly or indirectly, 240,000 Warrants and 62,219,235 common share purchase options (representing 62,459,235 Shares, if exercised).

**What are the business objectives that we expect to accomplish using the available funds?**

The Company intends to upgrade and expand its self-mining operations in its data centre in Utah, USA by purchasing and implementing newer and more efficient crypto Miners. With the upcoming major event of Bitcoin halving taking place in April of 2024, crypto currency Miners are expected to focus their efficiency of operations to remain profitable with a lower block reward from mining.

The Company is expected to commence acquiring the equipment as early as February of 2024, with continued purchases in the months of March 2024 through June 2024. The Company expects the newly acquired equipment to be fully operational before the end of June 2024.

The following table sets out: (i) the business objectives the Issuer expects to accomplish using its available funds following the Offering; (ii) the significant event(s) that must occur for each business objective to be accomplished; and (iii) the anticipated time period for completion and estimated cost for each such event.

Business objectives	Preceding significant event(s) (each, an “Event”)	Period in which Event is expected to occur	Cost related to Event
Expand and optimize operations of facilities in Utah	Purchase of crypto Miners	The first half of 2024	Up to \$1,000,000
<b>Total</b>			Up to \$1,000,000

**USE OF AVAILABLE FUNDS**

**What will our available funds be upon the closing of the Offering?**

		Assuming Minimum Offering only	Assuming Maximum Offering
A	Amounts to be raised by the Offering	N/A	\$2,000,000
B	Selling commissions and fees	N/A	\$155,000
C	Estimated Offering costs (e.g., legal, accounting, audit)	N/A	\$50,000
D	Net proceeds of Offering: $D = A - (B+C)$	N/A	\$1,795,000
E	Working capital as at most recent months end (deficiency)	N/A	\$1,105,086
F	Additional sources of funding	N/A	\$0
G	Total available funds: $G = D+E+F$	N/A	\$2,900,086

## How will we use the available funds?

The Issuer intends to use the available funds as follows:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering only	Assuming Maximum Offering
Purchase of crypto Miners <sup>(1)</sup>	N/A	\$1,000,000
Working capital	N/A	\$1,580,000
Excess working capital	N/A	\$320,086
Total:	N/A	\$2,900,086

### Note:

- (1) The Company intends to use up-to \$1,000,000 to purchase approximately 500 crypto Miners from third-party vendors. The new crypto Miners are expected to add about 100,000 terahashes per second (TH/s) of hashing power to the Company's operations.

## How have we used the other funds we have raised in the past 12 months?

The Issuer has not raised funds pursuant to an offering of its securities in the past 12 months.

## FEES AND COMMISSIONS

### Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?

In connection with the Offering, the Issuer may pay certain finders (each, a "**Finder**") a cash commission equal to 7% of the aggregate gross proceeds raised from those purchasers introduced by such Finder and/or issue that number of Shares and/or common share purchase warrants (each, a "**Finder Warrant**") equal to 3% of the number of Units issued to those purchasers introduced by such Finder. Each Finder Warrant will entitle the holder thereof to acquire a Share (each, a "**Finder's Warrant Share**") at an exercise price of \$0.07 per Finder's Warrant Share for a period of 36 months from the closing date.

The Issuer shall pay EMD Financial Inc. a corporate finance fee of \$15,000 upon completion of the Offering.

## PURCHASERS' RIGHTS

### Rights of action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

- a) to rescind your purchase of these securities with the Issuer, or
- b) to damages against the Issuer and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.



## ADDITIONAL INFORMATION

### **Where can you find more information about us?**

You can access the Issuer's continuous disclosure under its SEDAR+ profile at <http://www.sedarplus.ca/> and see the latest news regarding the Issuer on the Issuer's website at <https://cryptostar.com/>.

*[Remainder of page intentionally left blank]*

**DATE AND CERTIFICATE**

Dated: February 2, 2024

**This offering document, together with any document filed under Canadian securities legislation on or after April 27, 2023, contains disclosure of all material facts about the Securities being distributed and does not contain a misrepresentation.**

*(signed) "David Jellins"*

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David Jellins  
President & Chief Executive Officer

*(signed) "Jing Peng"*

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Jing Peng  
Chief Financial Officer