

This short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada, that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public 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.

Information contained herein is subject to completion or amendment. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Galaxy Digital Holdings Ltd. at 107 Grand Street, 8th Floor, New York, NY, 10013 (Telephone 212-390-9216) (Attn: Corporate Secretary), and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

November 27, 2020

GALAXY DIGITAL HOLDINGS LTD.



GALAXY
DIGITAL

US\$100,000,000

Ordinary Shares
Warrants
Subscription Receipts
Units
Debt Securities
Share Purchase Contracts
Rights

This short form base shelf prospectus relates to the offering for sale from time to time, during the 25-month period that this prospectus, including any amendments hereto, remains effective, of the securities of Galaxy Digital Holdings Ltd. (the “Company”, “Galaxy”, “we” or “our”) listed above in one or more series or issuances, with a total offering price of such securities, in the aggregate, of up to US\$100,000,000 (or the equivalent thereof in Canadian dollars or one or more foreign currencies or composite currencies). The securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement.

In addition, the securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the securities separately, a combination of securities or any combination of, among other things, securities, cash and the assumption of liabilities.

The ordinary shares of the Company (the “**Ordinary Shares**”) are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the trading symbol “GLXY”. On November 26, 2020, being the last complete trading day prior to the date hereof, the closing price of the Ordinary Shares on the TSX was C\$6.06.

The Company started trading on the TSX on July 6, 2020 via the TSX Sandbox. The TSX Sandbox is an initiative intended to facilitate listing applications that may not satisfy the original listing requirements of TSX, but due to facts or situations unique to a particular issuer otherwise warrant a listing on TSX. The TSX has exercised its discretion to waive the requirements of subsection 309(c)(i) of its manual (C\$10 million in treasury resulting from public raise) which the Company did not meet. The Company’s approval pursuant to the TSX Sandbox was conditioned upon public filing of an AIF and prominent quarterly disclosure of digital assets and investments, which the Company has completed and agreed to continue to provide. The Company will remain listed pursuant to the TSX Sandbox until such time as it has completed a twelve-month period without significant compliance issues after graduation. In addition, the Company and GDH LP are required to disclose the following two risk factors that were also included in the most recent AIF for the year-ended 2019: (1) The Company has limited operating history and its business lines are nascent and subject to material legal, regulatory, operational and other risks in every jurisdiction; and (2) the market price and trading volume of the Company’s Ordinary Shares has been volatile and will likely continue to be so in response to, among other factors, market fluctuations in digital assets generally or the digital assets that GDH LP holds or trades. Please refer to the “Risk Factors” section for more information regarding the risks applicable to the Company and GDH LP.

Unless otherwise specified in an applicable prospectus supplement, debt securities, subscription receipts, units, warrants and share purchase contracts will not be listed on any securities or stock exchange or on any automated dealer quotation system. **There is currently no market through which our securities, other than our Ordinary Shares, may be sold and purchasers may not be able to resell such securities purchased under this short form prospectus. This may affect the pricing of our securities, other than our Ordinary Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of our securities and the extent of issuer regulation. See “Risk Factors”.**

Acquiring our securities may subject you to tax consequences in Canada. This prospectus or any applicable prospectus supplement may not describe these tax consequences fully. You should read the tax discussion in any applicable prospectus supplement with respect to any particular offering and consult your own tax advisor with respect to your own particular circumstances.

No underwriter has been involved in the preparation of this prospectus or performed any review of the contents of this prospectus.

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the securities in such jurisdiction. All applicable information permitted under securities legislation to be omitted from this prospectus that has been so omitted will be contained in one or more prospectus supplements that will be delivered to purchasers together with this prospectus. Each prospectus supplement will be incorporated by reference into this prospectus for the purposes of securities legislation as of the date of the prospectus supplement and only for the purposes of the distribution of the securities to which the prospectus supplement pertains. You should read this prospectus and any applicable prospectus supplement carefully before you invest in any securities issued pursuant to this prospectus. Our securities may be sold pursuant to this prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us.

The sale of securities may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the TSX or other existing trading markets for the Securities, and as set forth in the prospectus supplement for such purpose. See “*Plan of Distribution*”.

A prospectus supplement will set out the names of any underwriters, dealers or agents involved in the sale of our securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such securities, including the net proceeds we expect to receive from the sale of such securities, if any, the amounts and prices at which such securities are sold and the compensation of such underwriters, dealers or agents.

Investment in the securities being offered is highly speculative and involves significant risks that you should consider before purchasing such securities. You should carefully review the risks outlined in this prospectus (including any prospectus supplement) and in the documents incorporated by reference as well as the information under the heading “Cautionary Note Regarding Forward-Looking Statements” and consider such risks and information in connection with an investment in the securities. See “Risk Factors”.

The specific terms of the securities with respect to a particular offering will be set out in one or more prospectus supplements and may include, where applicable: (i) in the case of Ordinary Shares, the number of Ordinary Shares offered, the offering price and any other specific terms; (ii) in the case of warrants, the offering price, the designation, number and terms of the Ordinary Shares or debt securities issuable upon exercise of the warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the warrants are issued and any other specific terms; (iii) in the case of subscription receipts, the number of subscription receipts being offered, the offering price, the procedures for the exchange of the subscription receipts for Ordinary Shares, debt securities or warrants, as the case may be, and any other specific terms; (iv) in the case of debt securities, the specific designation, the aggregate principal amount, the currency or the currency unit for the debt securities being offered, the maturity, the interest provisions, the authorized denominations, the offering price, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion terms, whether the debt securities are secured, affiliate-guaranteed, senior or subordinated and any other terms specific to the debt securities being offered; (v) in the case of units, the designation, number and terms of the Ordinary Shares, warrants, subscription receipts, share purchase contracts or debt securities comprising the units; and (vi) in the case of share purchase contracts, whether the share purchase contracts obligate the holder to purchase or sell or both purchase and sell Ordinary Shares, whether the share purchase contracts are to be prepaid or not or paid in instalments, any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied, whether the share purchase contracts are to be settled by delivery, any provisions relating to the settlement of the share purchase contracts, the date or dates on which the sale or purchase must be made, whether the share purchase contracts will be issued in fully registered or global form and the material income tax consequences of owning, holding and disposing of the share purchase contracts. Where required by statute, regulation or policy, and where securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the securities will be included in the prospectus supplement describing the securities.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. Galaxy, GDH LP and its subsidiaries are incorporated under the laws of a foreign jurisdiction, and all of our directors reside outside of Canada, namely Dominic Docherty, Nereida Flannery, Theagenis Iliadis, Bill Koutsouras and Michael Novogratz. Galaxy and each of Dominic Docherty, Nereida Flannery, Theagenis Iliadis, Bill Koutsouras, Christopher Ferraro, Richard Tavoso, Ashwin Prithipaul and Michael Novogratz, have appointed Blakes Vancouver Services Inc., c/o Blake, Cassels & Graydon LLP, located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, Canada for service of process in Canada. See “Agent for Service of Process”.

Investors should rely only on the information contained in or incorporated by reference into this prospectus and any applicable prospectus supplement. We have not authorized anyone to provide investors with different information. Information contained on our website shall not be deemed to be a part of this prospectus (including any applicable prospectus supplement) or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the securities. We will not make an offer of these securities in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information contained in this prospectus is accurate as of any date other than the date on the face page of this prospectus, the date of any applicable prospectus supplement or the date of any documents incorporated by reference herein.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus and any applicable prospectus supplement and on the other information included in the registration statement of which this prospectus will form a part. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell or seeking an offer to buy the securities offered pursuant to this prospectus in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus and any applicable prospectus supplement is accurate only as of the date on the front of such document and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this prospectus or any applicable prospectus supplement or of any sale of our securities pursuant thereto. Our business, financial condition, results of operations and prospects may have changed since those dates.

Market data and certain industry forecasts used in this prospectus and any applicable prospectus supplement, and the documents incorporated by reference in this prospectus and any applicable prospectus supplement, were obtained from market research, publicly available information and industry publications. We believe that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. We have not independently verified such information, and we do not make any representation as to the accuracy of such information.

In this prospectus and any prospectus supplement, unless otherwise indicated, all dollar amounts and references to “US\$” or “\$” are to U.S. dollars and references to “C\$” are to Canadian dollars. This prospectus and the documents incorporated by reference contain translations of certain US dollar amounts into Canadian dollars solely for your convenience. See “Currency Presentation and Exchange Rate Information”.

This prospectus and the documents incorporated by reference herein include certain terms or performance measures that are not defined under International Financial Reporting Standards (“IFRS”), such as total annual recurring revenue, net annual recurring revenue retention, annual recurring revenue from new customers, adjusted operating expenses, adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) and billings. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company’s performance. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-IFRS measures should be read in conjunction with the financial statements. For a description of the methodology used to calculate these non-IFRS measures, see the section entitled “Non-IFRS Measures” in the Company’s 2020 MD&A.

In this prospectus and in any prospectus supplement, unless the context otherwise requires, references to “we”, “us”, “our” or similar terms, as well as references to “Galaxy” or the “Company”, refer to Galaxy Digital Holdings Ltd. together, where context requires, with our subsidiaries and affiliates.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and other information contained in this prospectus constitute forward-looking information under Canadian Securities Laws (collectively “**forward-looking statements**”). Such forward-looking statements include, but are not limited to:

- the future price of cryptocurrencies, such as bitcoin, and the other types of digital assets in which Galaxy Digital Holding LP (“**GDH LP**”) invests and trades;
- the Company’s intended use of net proceeds from the sale of its securities;
- the number of securities the Company intends to issue;
- the future pricing for services and solutions in GDH LP’s businesses;
- the liquidity and market price of the Ordinary Shares;
- GDH LP’s potential launch of new lines of business, offering of new products and services within existing lines of business or undertaking of other strategic projects;
- the Company’s expectations regarding the sufficiency of its capital resources and requirements for additional capital;
- litigation risks;

- currency fluctuations;
- risks related to debt securities being secured;
- risks related to the decrease of the market price of the Ordinary Shares if the Company's shareholders sell substantial amounts of Ordinary Shares;
- risks related to future sales or issuances of equity securities diluting voting power and reducing future earnings per share;
- the absence of a market through which the Company's securities, other than Ordinary Shares, may be sold;
- changes to governmental laws and regulations; and
- effects of the novel coronavirus ("COVID-19") outbreak as a global pandemic.

These forward-looking statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "future", "continue" or similar expressions or the negatives thereof.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this prospectus should not be unduly relied upon. These statements speak only as of the date of this prospectus.

The forward-looking statements in this document are based on what the Company currently believes are reasonable assumptions, including the material assumptions set out in the management discussion and analysis and press releases of the Company (such documents are available under the Company's SEDAR profile at www.sedar.com). Other material factors or assumptions that were applied in formulating the forward-looking statements contained herein include or relate to the following:

- the business and economic conditions affecting the Company's operations in their current state, including, general levels of economic activity, regulations, taxes and interest rates;
- GDH LP's ability to profitably manage its digital assets, comprised of cryptocurrencies and blockchain-based assets, inventory as required;
- our ability to successfully acquire and maintain required regulatory licenses and qualifications;
- historical prices of digital assets;
- the emerging cryptocurrency and blockchain markets and sectors;
- our ability to maintain good business relationships;
- our ability to manage and integrate acquisitions;
- the continued provision of services by Michael Novogratz;
- our ability to identify, hire and retain key personnel;
- our ability to raise sufficient debt or equity financing to support our continued growth;
- the technology, proprietary and non-proprietary software, data and intellectual property of the Company and third parties in the digital asset sector is able to be relied upon to conduct the Company's business;
- the Company does not suffer a material impact or disruption from a cybersecurity incident, cyber-attack or theft of digital assets;
- continued maintenance and development of digital asset networks;
- continued growth in usage and in the blockchain for various applications;
- continued development of a stable public infrastructure, with the necessary speed, data capacity and security required to operate blockchain networks;
- miners' continued expansion of processing power without demanding high transaction fees;
- GDH LP's continued development and execution of successful investment strategies;
- the absence of adverse regulation or law; and
- the absence no material changes in the legislative, regulatory or operating framework for GDH LP's existing and anticipated business.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Some of the risks that could cause outcomes and results to differ materially from those expressed in the forward-looking statements include:

- Galaxy is a common equity holder in GDH LP. Galaxy's business is conducted through GDH LP and its subsidiaries. All risks of GDH LP are risks of Galaxy.
- The market price and trading volume of Galaxy's Ordinary Shares may be volatile.
- Changes in law could cause the Ordinary Shares to be de-listed or Galaxy to undergo costly restructuring, liquidation or sale.
- Galaxy may need or want to raise additional capital, but there are many reasons why it might be unable to do so.
- Holders of Ordinary Shares may be subject to downward pressure on the share price from exchanges of B Units or from additional issuances of Ordinary Shares.
- Galaxy will be required to pay former partners of GDH LP for certain tax benefits that Galaxy may claim, and the amounts that Galaxy may pay could be material.
- Holders of Ordinary Shares will generally not benefit from protections of investment company statutes in various jurisdictions, and may suffer from the restrictions that such statutes place on the liquidity of Ordinary Shares and on Galaxy's fundraising, businesses or other activities.
- Holders of Ordinary Shares may be prevented from exercising voting power commensurate with their economic interests in Galaxy.
- Galaxy and GDH LP are required to indemnify directors and certain officers or other agents against a wide range of potential liabilities. These indemnification obligations could be material.
- The holding of, or trading in, Ordinary Shares may be, or become, illegal in certain countries or other jurisdictions.
- Ordinary Shares are generally not permitted to be acquired by U.S. Benefit Plan Investors, which could reduce Ordinary Shares' liquidity. Conversely, if U.S. Benefit Plan Investors were to acquire sufficient numbers of Ordinary Shares notwithstanding and in contravention of this limitation, Galaxy could be materially and adversely affected.
- GDH LP has limited operating history. Its business lines are nascent, unproven and subject to material legal, regulatory, operational, reputational, tax and other risks in every jurisdiction and are not assured to be profitable.
- GDH LP's businesses may require regulatory licenses and qualifications that GDH LP does not currently have and that may be costly and time-consuming to obtain and, if obtained, may subsequently be revoked.
- Changes in law or regulation could subject GDH LP to further material, costly and constraining regulation, registration, licensing and other requirements.
- GDH LP is highly dependent on Michael Novogratz, which exposes shareholders of Ordinary Shares ("Shareholders") to material and unpredictable "key man" risk.
- GDH LP is controlled by Mr. Novogratz, whose interests may be different from those of Shareholders.
- Mr. Novogratz could engage in activities outside of GDH LP or could quit GDH LP in favor of other pursuits.
- Mr. Novogratz's public profile makes it more likely that Galaxy or GDH LP will attract material regulatory scrutiny, which would be costly and distracting regardless of whether Galaxy or GDH LP has engaged in any unlawful conduct.
- If GDH LP is unable to successfully identify, hire and retain qualified professionals, it will not be able to implement its growth strategy successfully.
- GDH LP or its subsidiaries and affiliates, face substantial litigation and regulatory risks.
- GDH LP's use of technology, proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk.
- GDH LP's businesses rely on third-party service providers.
- Cybersecurity incidents and other systems and technology problems may materially and adversely affect GDH LP.
- Operational risk may materially and adversely affect GDH LP's performance and results.
- GDH LP may not be effective in mitigating risk.
- Managing different business lines could present conflicts of interest.
- GDH LP incurs increased costs as a result of supporting Galaxy and funding the requirements applicable to Galaxy as a public company.

- Force majeure events may materially and adversely affect the business continuity of GDH LP.
- Future distributions may not be sufficient to catch up to tax distributions.
- The COVID-19 pandemic and resulting impact on the global economy may materially and adversely affect GDH LP.
- Changes in the value levels of the assets may cause GDH LP's assets under management ("AUM"), revenue and earnings to decline.
- There are material risks and uncertainties associated with custodians of digital assets.
- The asset management business is highly regulated and regulators may apply or interpret these regulations with respect to digital assets in novel and unexpected ways.
- Increased competition may cause GDH LP's AUM, revenue and earnings to decline.
- The success of GDH LP's investment banking business will depend on generating and maintaining ongoing, profitable client demand for its services and solutions, and the failure of that demand to materialize or any future significant reduction in such demand or an inability to respond to the evolving technological environment could materially negatively affect GDH LP's investment banking business.
- The success of GDH LP's investment banking business could materially suffer if it is unable to obtain favorable pricing for services and solutions or if GDH LP is unable to remain competitive.
- GDH LP's co-investments with third parties may be subject to substantial risk.
- GDH LP is subject to risks in connection with its lending business.
- The continuing development and acceptance of digital assets and distributed ledger technology are subject to a variety of risks.
- A decline in the adoption and use of digital assets would materially and adversely affect the performance of GDH LP.
- The prices of digital assets are extraordinarily volatile.
- Political or economic crises may motivate large-scale sales of digital assets, which would result in a reduction in values and materially and adversely affect GDH LP.
- The regulation of digital assets continues to evolve in every jurisdiction, and regulatory changes or actions may restrict the use of digital assets, the operation of distributed ledger technologies that support such digital assets and platforms that facilitate the trading of such assets.
- The loss, destruction or theft of a private key required to access certain cryptocurrencies or digital assets may be irreversible. GDH LP's loss of access to its private keys or its experience of a data loss relating to its cryptocurrency or digital asset investments could adversely affect GDH LP.
- GDH LP may not be able to realize the economic benefit of a hard fork or airdrop, either immediately or ever.
- The need to adopt technology in response to changing security threats poses a challenge to the safekeeping of GDH LP's digital asset holdings.
- Due to the unregulated nature and lack of transparency surrounding the operations of exchanges, they may experience fraud, security failures or operational problems, which may adversely affect the value of digital assets traded on those exchanges and, consequently, GDH LP's investments and Galaxy's Ordinary Shares.
- Short sales of digital assets may be especially risky.
- Lending of digital assets may be especially risky.
- Blockchain networks, digital assets and the exchanges on which these assets are traded are dependent on internet infrastructure and susceptible to system failures, security risks and rapid technological change.
- If the digital asset award for solving blocks and transaction fees for recording transactions on the Bitcoin network are not sufficiently high to incentivize miners, miners may cease expanding processing power or demand high transaction fees, which could negatively impact the security and value of the Bitcoin and could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of GDH LP (and therefore in Galaxy).
- Malicious actors could manipulate the blockchain networks and smart contract technology upon which digital assets rely and increase the vulnerability of the blockchain networks.
- The network contributors for certain digital assets could propose amendments to the network protocols and software for these digital assets that, if accepted and authorized by the network for these digital assets, could adversely affect an investment in GDH LP or Galaxy
- Intellectual property rights claims may adversely affect the operation of portfolio companies and digital asset networks.

- Banks or other third-party services providers may decline to provide services to companies engaged in digital asset-related businesses, including GDH LP.
- Investments in initial coin offerings (“ICOs”) have declined and have been, and continue to be, subject to regulatory challenges.
- GDH LP may fail to develop and execute successful investment strategies.
- GDH LP is exposed to a concentration of assets in a particular asset class, which could increase volatility, investment and market risk.
- There may not be an active and liquid trading market for some of GDH LP’s digital assets.
- GDH LP’s investments in other investment vehicles may be subject to substantial risk.
- GDH LP’s investments in options may be subject to substantial risk.
- GDH LP’s investments in derivatives may be subject to substantial risk.
- GDH LP’s investments in currencies may be subject to substantial risk.
- GDH LP’s investments in exchange-traded futures contracts expose it to the risks of a clearing broker.
- GDH LP’s investments and trading transactions may be subject to credit risk.
- GDH LP’s investments in restricted securities may be subject to substantial risk.
- GDH LP is not obligated to hedge its exposures, and, if it does, hedging transactions may be ineffective or reduce GDH LP’s overall performance.
- GDH LP may make, or otherwise be subject to, trade errors.
- GDH LP’s trading orders may not be timely executed.
- Unexpected market disruptions may cause major losses for GDH LP.
- GDH LP is exposed to losses due to lack of perfect information.
- Valuation involves significant risks and uncertainties, including the fact that methodologies involve subjective judgments.
- Changes in, or the development of guidance relating to, accounting standards governing the preparation of Galaxy or GDH LP’s financial statements and future events could have a material impact on our reported financial condition, results of operations, cash flows and other financial data.
- The U.S. federal income tax treatment of digital assets is unclear.
- The state, local and non-U.S. tax treatment of digital assets is unclear.
- The current structure of Galaxy and GDH LP is based in part on current U.S. tax law, which is subject to change, possibly on a retroactive basis.
- The Company’s discretion over the use of proceeds.
- Potential dilution to existing shareholders’ percentages as a result of the exercise of outstanding stock options to acquire Ordinary Shares of the Company (the “Options”), settlement of share units, or the issuance of Ordinary Shares in future.
- The liquidity of the Ordinary Shares in the market.
- The absence of a public market for certain of the securities.
- Unsecured debt securities.
- The effect of changes in interest rates on the Company’s debt securities.
- The effect of fluctuations in foreign currency markets on the Company’s debt securities.
- The Company may be unable to obtain additional financing on acceptable terms or at all.

Some of the risks that could cause results to differ materially from those expressed in the forward-looking statements are further described under the heading titled “*Risk Factors*” in this prospectus.

The forward-looking statements contained in this prospectus are expressly qualified by this cautionary statement. Except as required by law, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Galaxy at 107 Grand Street, 8th Floor, New York, NY, 10013 (Telephone 212-390-9216) Attn:

Corporate Secretary or by accessing the disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (“**SEDAR**”), at www.sedar.com.

The following documents, filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this short form base shelf prospectus:

- our annual information form for the year ended December 31, 2019, dated as at April 8, 2020 and filed on April 8, 2020;
- our unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2020, and 2019 dated as at November 10, 2020 and filed on November 13, 2020;
- our management’s discussion and analysis for the three and nine months ended September 30, 2020, and 2019 dated as at November 12, 2020 and filed on November 13, 2020 (our “**2020 MD&A**”);
- GDH LP’s unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2020, and 2019 dated as at November 10, 2020 and filed on November 13, 2020;
- GDH LP’s management’s discussion and analysis for the three and nine months ended September 30, 2020, and 2019 dated as at November 12, 2020 and filed on November 13, 2020;
- our consolidated financial statements for the years ended December 31, 2019 and 2018 comprised of the consolidated balance sheets as at December 30, 2019 and 2018 and the consolidated statements of operations and comprehensive income (loss), cash flows and changes in equity for the years then ended, and the notes thereto and the report of the independent auditor thereon, filed on April 8, 2020; and
- our annual management’s discussion and analysis for the year ended December 31, 2019, dated as at April 7, 2020 and filed on April 8, 2020;
- GDH LP’s consolidated financial statements for the years ended December 31, 2019 and 2018 comprised of the consolidated balance sheets as at December 30, 2019 and 2018 and the consolidated statements of operations and comprehensive income (loss), cash flows and changes in equity for the years then ended, and the notes thereto and the report of the independent auditor thereon, filed on April 8, 2020;
- GDH LP’s annual management’s discussion and analysis for the year ended December 31, 2019, dated as at April 7, 2020 and filed on April 8, 2020;
- the material change report dated June 25, 2020 relating to the announcement of the results of votes on matters considered at the annual general meeting of our Shareholders held on June 25, 2020 and filed on June 25, 2020;
- the management information circular dated May 25, 2020 with respect to the annual general meeting of our shareholders held on June 25, 2020, filed on May 27, 2020;
- the management information circular dated April 30, 2019 with respect to the annual general and special meeting of our shareholders held on June 24, 2019, filed on May 21, 2019; and
- the material change report dated September 30, 2020 relating to the appointment of Damien Vanderwilt as Co-President and Head of Global Markets.
- the material change report dated November 17, 2020 relating to the closing of the PIPE (as defined below).

Any documents of the type described in Section 11.1 of Form 44-101F1 *Short Form Prospectuses* filed by the Company with a securities commission or similar authority in any province or territory of Canada subsequent to the date of this short form base shelf prospectus and prior to the expiry of this prospectus, or the completion of the issuance of securities pursuant hereto, will be deemed to be incorporated by reference into this prospectus.

A prospectus supplement containing the specific terms of any offering of our securities will be delivered to purchasers of our securities together with this prospectus and will be deemed to be incorporated by reference in this prospectus as of the date of the prospectus supplement and only for the purposes of the offering of our securities to which that prospectus supplement pertains.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein, in any prospectus supplement hereto or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Upon our filing of a new annual information form and the related annual financial statements and management’s discussion and analysis with applicable securities regulatory authorities during the currency of this prospectus, the previous annual information form, the previous annual financial statements and management’s discussion and analysis and all interim financial statements, supplemental information, material change reports and information circulars filed prior to the commencement of our financial year in which the new annual information form is filed will be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of our securities under this prospectus. Upon interim consolidated financial statements and the accompanying management’s discussion and analysis and material change report being filed by us with the applicable securities regulatory authorities during the duration of this prospectus, all interim consolidated financial statements and the accompanying management’s discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of securities under this prospectus.

References to our website in any documents that are incorporated by reference into this prospectus do not incorporate by reference the information on such website into this prospectus, and we disclaim any such incorporation by reference.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

The high, low, average and closing rates for the US dollar in terms of Canadian dollars for each of the financial periods indicated below, as quoted by the Bank of Canada, were as follows:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Year ended December 31, 2019	Year ended December 31, 2018
	(expressed in Canadian dollars)			
High	1.3616	1.3343	1.3600	1.3642
Low	1.3042	1.3038	1.2988	1.2288
Average	1.3321	1.3204	1.3269	1.2957
Closing	1.3339	1.3243	1.2988	1.3642

On November 26, 2020, the daily exchange rate for the US dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was \$1.00 = C\$1.3013.

THE COMPANY

The following description of the Company is, in some instances, derived from selected information about us contained in the documents incorporated by reference into this prospectus. This description does not contain all of the information about us and our business that you should consider before investing in any securities. You should carefully read the entire prospectus and the applicable prospectus supplement, including the section entitled “Risk Factors”, as well as the documents incorporated by reference into this prospectus and the applicable prospectus supplement, before making an investment decision.

Name, Address and Incorporation

The Company, formerly Bradmer Pharmaceuticals Inc. (“**Bradmer**”), was originally formed under the Ontario Business Corporations Act on February 10, 2006 by the amalgamation of a private company, Blue Devil Pharmaceuticals Inc., and a predecessor company also named Bradmer Pharmaceuticals Inc. By the end of 2009 and up to the date of the closing of the plan of arrangement on July 31, 2018 (the “**Arrangement**”), all significant business activities and operations of Bradmer had been terminated.

Upon completion of the Arrangement (i) the Company changed its name from “Bradmer Pharmaceuticals Inc.” to “Galaxy Digital Holdings Ltd.”, (ii) the Company continued out of the Province of Ontario to become a company existing under the laws of the Cayman Islands and (iii) the Company’s constating documents were amended and restated by the articles of association (the “**Articles of Association**”).

The Company’s head office address is 107 Grand Street, 8th Floor, New York, New York, 10013. The Company’s registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company’s Ordinary Shares are publicly listed on the TSX under the symbol “GLXY” (formerly “BMR” on the NEX Board of the TSXV) and, as of October 16, 2018, are dual-listed on the Frankfurt Stock Exchange under the symbol “7LX”.

Summary Description of the Business

The Company’s only significant asset is a minority interest in GDH LP. GDH LP is building a diversified financial services and investment management platform in the digital asset, cryptocurrency and blockchain technology sector with the mission of capitalizing on market opportunities made possible by the ongoing evolution of the digital assets space through four primary business lines: trading, asset management, investment banking and principal investments.

Galaxy Digital Holdings LP

GDH LP is constituted as a Cayman Islands exempted limited partnership under the Exempted Limited Partnership Law (2018 Revision) of the Cayman Islands (the “**ELP Law**”). A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

Notwithstanding registration, an exempted limited partnership is not a separate legal person distinct from its partners. Under Cayman Islands law, any rights or property of an exempted limited partnership (whether held in that partnership’s name or by any one or more of its general partners) shall be held or deemed to be held by the general partner, and if more than one then by the general partners jointly, in trust as an asset of the exempted limited partnership in accordance with the terms of the partnership agreement. Any debts or obligations incurred by Galaxy Digital Holdings GP LLC (“**GDH GP**”), the general partner of GDH LP following the Arrangement, in the conduct of GDH LP’s business are the debts and obligations of GDH LP. Registration under the ELP Law entails that GDH LP becomes subject to, and holders of units of GDH LP (“**GDH LP Units**” and “**GDH LP Unitholders**”, respectively) therein are afforded the limited liability (subject to the partnership agreement) and other benefits of, the ELP Law.

Subject to the limitations and considerations described below, the business of GDH LP will be conducted by GDH GP, who will be liable for all debts and obligations of GDH LP to the extent that GDH LP has insufficient assets. As

a general matter, a limited partner of an exempted limited partnership, such as GDH LP, will not be liable for the debts and obligations of the exempted limited partnership save: (i) as provided in the partnership agreement; (ii) if such limited partner becomes involved in the conduct of the partnership’s business and holds itself out as a general partner to third parties; or (iii) if such limited partner is obliged pursuant to the ELP Law to return a distribution made to it where the exempted limited partnership was insolvent and the limited partner had actual knowledge of such insolvency at that time.

GDH LP, has two classes of units representing limited partner interests:

1. Class A units (the “**A Units**”), having such terms, rights and restrictions as set out in the fourth amended and restated limited partnership agreement of Galaxy Digital Holdings dated June 23, 2020 (“**GDH LPA**”), which are subdivided into Class “A-1” limited partnership units (“**A-1 Units**”), all of which are held by the Company and Class “A-2” limited partnership units (“**A-2 Units**”), all of which are held by GDH Intermediate LLC, a wholly owned subsidiary of the Company established as a tax-efficient blocker corporation or similar entity for U.S. tax purposes (the “**U.S. Blocker Subsidiary**”); and
2. Class B units (the “**B Units**”), having such terms, rights and restrictions as set out in the GDH LPA, which are held by Galaxy Group Investments LLC, a limited liability company existing under the laws of Delaware (“**Galaxy Group**”), employee founders of GDH LP as part of the B Units issuable pursuant to the equity-based compensation arrangements of GDH LP and certain former shareholders of First Coin Capital Corp. (“**First Coin Shareholders**”). B Units of GDH LP do not entitle the holder the right to vote in meetings of the securityholders of the Company, but are, pursuant to the GDH LPA and subject to certain limitations, exchangeable for Ordinary Shares on a one-for-one basis subject to customary adjustments for stock splits, stock dividends and reclassifications and other similar transactions. For more information regarding the classes of GDH LP Units, see “*Description of Share Capital – GDH B Units*”.

GDH LP’s head office address is 107 Grand Street, 8th Floor, New York, New York, 10013. GDH LP also has offices in Tokyo, Japan, London, England, Hong Kong, Chicago, Illinois, San Francisco, California, Jersey City, New Jersey and the Cayman Islands (registered office).

GDH LP is a promoter of the Company within the meaning of applicable securities legislation. see “*Promoters*”.

GDH GP

GDH GP, a limited liability company formed under the laws of the Cayman Islands and a wholly owned subsidiary of Galaxy Group, is the general partner of GDH LP.

Galaxy Digital LP

GDH LP holds all of the issued and outstanding limited partnership interests of Galaxy Digital LP, an exempted limited partnership formed under the laws of the Cayman Island (“**Galaxy LP**”), with Galaxy Digital GP LLC (“**Galaxy GP**”) as its sole general partner. Galaxy GP, a limited liability company existing under laws of the Cayman Islands, is a wholly owned subsidiary of GDH LP.

The table below lists the principal subsidiaries of Galaxy LP as at December 31, 2019.

<u>Name</u>	<u>Jurisdiction</u>	<u>Business Line</u>
Galaxy Digital Trading Cayman LLC	Cayman	Trading
Galaxy Digital Ventures LLC	United States	Principal Investments

Galaxy Digital Partners LLC (formerly known as Galaxy Digital Advisors LLC)	United States	Investment banking
Galaxy Digital Capital Management LP (“GDCM”)	Cayman	Asset Management
Galaxy Digital Services LLC	United States	Administrative

The Company and GDH LP have other subsidiaries, but the assets and revenues of such subsidiaries individually did not exceed 10%, and in the aggregate did not exceed 20%, of the Company’s or GDH LP’s consolidated assets or consolidated revenues as at and for the year ended December 31, 2019. The table above also includes subsidiaries and affiliates that represent the Company’s business lines.

Recent Updates

On May 11, 2020, the Company announced that it had been conditionally approved to be listed on the TSX via TSX Sandbox.

On June 10, 2020, the Company and Bakkt®, the digital asset derivatives trading and custody platform majority-owned by Intercontinental Exchange, jointly announced their partnership to launch a collaborative white-glove service for asset managers looking to acquire, build positions in and store Bitcoin.

On June 16, 2020, the Company, through GDCM, and CAIS, the industry leading alternative investment platform, jointly announced a strategic partnership providing financial advisors with streamlined access to Galaxy Digital Asset Management’s investment products, plus educational resources spanning blockchain and digital assets.

On July 2, 2020, the Company announced that it would begin trading on the TSX on July 6, 2020.

On August 14, 2020, the Company announced, among other things, the expected transition of the leadership of its Investment Banking business in the fourth quarter of 2020 when Ian Taylor, current Head of Investment Banking, intends to depart.

On September 29, 2020, the Company announced that it has appointed Damien Vanderwilt to be its Co-President and Head of Global Markets. Mr. Vanderwilt is expected to join Galaxy Digital toward the end of the year, working alongside fellow Co-President Christopher Ferraro. Additionally, Rhonda Medina has been appointed to the Board of Managers of Galaxy Digital Holdings GP LLC.

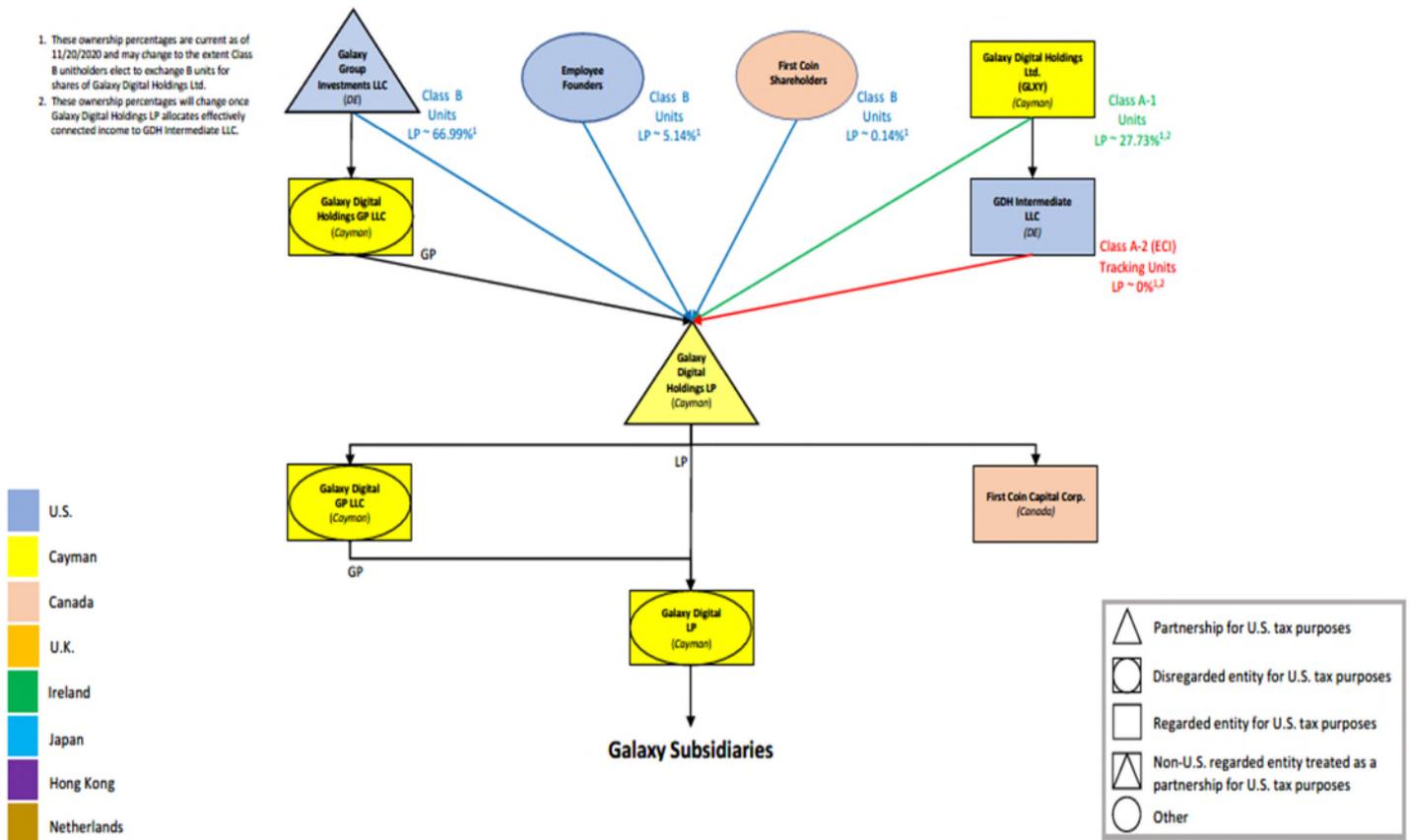
On November 12, 2020, the Company announced that it closed a private placement financing for total gross proceeds of US\$50,000,000 (the “PIPE”).

On November 13, 2020, the Company announced that it acquired two cryptocurrency trading firms: Drawbridge Lending and Blue Fire Capital.

Intercorporate Relationships

The activities of the Company are conducted through its subsidiaries and affiliates. The following diagram illustrates the structure of the Company and its interest in GDH LP. As described below, GDH LP holds all of the issued and outstanding limited partnership interests of Galaxy LP and the Company’s four primary business lines: trading, principal investments, asset management, and investment banking are conducted through subsidiaries of Galaxy LP.

Galaxy Digital – Up-C Structure



RISK FACTORS

Investing in our securities is speculative and involves a high degree of risk due to the nature of our business and the present stage of its development. The following risk factors, as well as risks currently unknown to us, could materially and adversely affect our future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company, or its business or financial results, each of which could cause purchasers of our securities to lose part or all of their investment. The risks set out below are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, results of operations and prospects. You should also refer to the other information set forth or incorporated by reference in this prospectus or any applicable prospectus supplement, including our 2020 MD&A and annual financial statements, and the related notes. A prospective investor should carefully consider the risk factors set out below along with the other matters set out or incorporated by reference in this prospectus.

Risks Related to the Company and its Business

The following risks and uncertainties are not the only ones facing the Company or GDH LP. Additional risks and uncertainties not presently known to the Company or GDH LP, or that are currently considered immaterial, may also impair the Company or GDH LP. If events occur which cause GDH LP's business, prospects, financial condition, cash flows and operating results to be materially harmed, the Company would also be adversely affected.

Risks Related to the Company and the Ordinary Shares

Galaxy is a common equity holder in GDH LP. Galaxy's business is conducted through GDH LP and its subsidiaries. All risks of GDH LP are risks of Galaxy.

Galaxy derives substantially all of its income or loss from its partial ownership of GDH LP. In addition, Galaxy primarily relies on GDH LP to meet its obligations. To the extent that Galaxy needs funds to pay expenses generally and GDH LP cannot pay Galaxy's expenses or does not make a distribution to Galaxy, the value of any investment in Galaxy could decline substantially.

Galaxy is exposed to all of the risks to which GDH LP is exposed. These risks include GDH LP's investment program based on risky and volatile digital asset classes, which create a material risk that holders of Ordinary Shares may lose their entire investment.

Galaxy's equity interest in GDH LP is the functional equivalent of common equity. This interest does not carry any liquidation preference, distribution priority, priority in bankruptcy or insolvency or any other typical creditor-style protections.

The market price and trading volume of Galaxy's Ordinary Shares may be volatile.

The market price and trading volume of Galaxy's Ordinary Shares has been volatile and will likely continue to be subject to significant fluctuations in response to, among other factors: developments in the digital assets industry; market fluctuations in digital assets generally or changes in the underlying values and trading volumes of the digital assets that GDH LP holds or trades; GDH LP's financial performance and prospects or changes in the financial performance and prospects of companies engaged in businesses that are similar to GDH LP's businesses; changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to GDH LP's businesses; sales of Ordinary Shares by the Shareholders, including Ordinary Shares issued upon exchange of any B Units; general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events; speculation in the press or investment community regarding Galaxy's or GDH LP's business or investments, or factors or events that may directly or indirectly affect its businesses or investments; and further issuances of Ordinary Shares or of GDH LP Units.

In recent years, stock markets have experienced significant price and volume fluctuations, which have had a significant impact on the market price of securities issued by many companies, irrespective of the operating performance of the affected companies. Moreover, the prices of the digital assets that GDH LP holds or trades have historically been, and will likely continue to be, highly volatile. Accordingly, the price of Ordinary Shares could fluctuate based upon factors that have little or nothing to do with Galaxy or GDH LP's operating performance, which could materially and adversely affect the value of any investment in the Ordinary Shares. Additionally, in the absence of an active trading market, relatively small sales may result in a significant negative effect on the price of the Ordinary Shares.

Negative Operating Cash Flow

The Company does not generate revenue other than through the operations of GDH LP, the operating entity in which the Company has an investment, its sole activity. During the financial year ended December 31, 2019 and the interim period ended September 30, 2020, GDH LP had negative operating cash flow because its revenues did not exceed its operating expenses. In addition, GDH LP expects cash flow from operations to be negative until the level of activity in its respective relevant business areas increases sufficiently to offset its operating expenditures. GDH LP's cash flow from operations may be affected in the future by the investment it is making to continue to develop its products and services. In the event that GDH LP continues to have negative operating cash flow, among other things (i) the Company and GDH LP may reduce expenses, (ii) GDH LP may sell digital assets to generate sufficient cash to meet its and the Company's obligations as they come due, and/or (iii) GDH LP may sell all or a portion of an investment if an exit price is advantageous. If necessary, the proceeds from the sale of securities may be used to offset this anticipated negative operating cash flow.

Changes in law could cause the Ordinary Shares to be de-listed or Galaxy to undergo costly restructuring, liquidation or sale.

Apart from the numerous material legal and regulatory risks to GDH LP itself, Galaxy could be adversely affected by changes in law, regulation, interpretation of such law or regulation or regulator or exchange discretion. Such changes are difficult to predict but could conceivably lead to a cease-trade or the de-listing of Galaxy's Ordinary Shares, the inability to list the Ordinary Shares in other jurisdictions or a costly restructuring or even liquidation of Galaxy.

Galaxy may need or want to raise additional capital, but there are many reasons why it might be unable to do so.

If, whether by reason of changes in law, regulation or interpretation, or by reason of Galaxy's or GDH LP's conduct, Galaxy became unable to sell securities to investors in particular jurisdictions, the liquidity and market price of the Ordinary Shares would be negatively impacted, which would make it more difficult for Galaxy to sell additional Ordinary Shares or otherwise raise capital. Such difficulties could lead to the bankruptcy or insolvency of Galaxy, which may lead to material or complete losses for holders of Ordinary Shares.

Holders of Ordinary Shares may be subject to downward pressure on the share price from exchanges of B Units or from additional issuances of Ordinary Shares.

The majority of the economic interest in GDH LP remains represented by B Units, each of which may be exchanged for one Ordinary Share pursuant to the GDH LPA. As B Units are exchanged for Ordinary Shares, the voting power and economic interest of then-current holders of Ordinary Shares will decrease proportionately (though the voting power and economic interest of Galaxy in GDH LP will increase proportionately). Such exchanges would increase the market supply of Ordinary Shares, which could lead to a decrease in the market price of Ordinary Shares, especially since it is foreseeable that many exchanges may closely precede sales. Similarly, if Galaxy issues additional Ordinary Shares, then-current holders of Ordinary Shares will be diluted.

Galaxy will be required to pay former partners of GDH LP for certain tax benefits that Galaxy may claim, and the amounts that Galaxy may pay could be material.

The Company has entered into a tax receivable agreement with Galaxy Group, certain former First Coin Shareholders and certain GDH LP employees (the, "**Tax Receivable Agreement**") with certain other GDH LP Unitholders that provides for the payment by Galaxy to those GDH LP Unitholders a material percentage (for example, 85%) of the amount of cash savings, if any, in U.S. federal, state and local and foreign income tax or franchise tax that Galaxy actually realizes as a result of any increase in tax basis in GDH LP's assets resulting from exchanges by those holders of B Units for Ordinary Shares in accordance with the terms of the B Units, as and when such tax benefits are realized.

The actual increase in tax basis, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of exchanges by the other GDH LP Unitholders, the price of Ordinary Shares at the time of the exchange, the extent to which such exchanges are taxable, the amount and timing of the taxable income that Galaxy generates in the future, the tax rate then applicable and the portion of Galaxy's payments under the Tax Receivable Agreement that constitute imputed interest.

The payments that Galaxy will be required to make under the Tax Receivable Agreement could be material. The payments are not conditioned upon the other GDH LP Unitholders' continued ownership of Ordinary Shares. Finally, since Galaxy is a holding company, Galaxy's ability to make payments under the Tax Receivable Agreement will be dependent on the ability of GDH LP to make distributions to Galaxy. If Galaxy is unable to make payments under the Tax Receivable Agreement for any reason, those payments will be deferred and will accrue interest until paid.

Future distributions may not be sufficient to catch up to tax distributions.

Future distributions may not be sufficient to catch up to tax distributions. Under the Fourth Amended and Restated LPA, GDH GP has the authority to make tax distributions to those limited partners who have been allocated taxable income and/or gain that would result in them owing tax even though no cash distribution has been made. A tax distribution is an advance on future distributions to allow such limited partners to pay taxes owing and will reduce (on a dollar for dollar basis) future distributions to allow all other partners to "catch up" on their distributions so that all

limited partners will receive their pro rata share of all distributions over the life of GDH LP. If GDH LP earns taxable income and gains early in its life, and suffers losses later, it is possible that those limited partners that received a tax distribution will receive greater than their pro rata share of all distributions and future distributions may be insufficient to catch up all other limited partners.

Holders of Ordinary Shares will generally not benefit from protections of investment company statutes in various jurisdictions, and may suffer from the restrictions that such statutes place on the liquidity of Ordinary Shares and on Galaxy's fundraising, businesses or other activities.

Galaxy is not an investment fund and does not intend to operate as an investment fund in the future. Nonetheless, it is possible that Galaxy may effectively be classified as the equivalent of a commodity pool or an investment fund under the investment company laws of various jurisdictions, including the Commodity Exchange Act, the Investment Company Act of 1940 (the "1940 Act") and the European Union Alternative Investment Fund Managers Directive.

Galaxy's business is designed to comply with exemptions from the application of such laws, which means that holders of Ordinary Shares do not and will not benefit from the investor protections provided by such laws. At the same time, Galaxy may be constrained by such laws from listing Ordinary Shares or raising additional capital in certain jurisdictions, to the potential detriment of the value and liquidity of Ordinary Shares, and GDH LP may be restricted or precluded from operating in certain jurisdictions without additional financial registrations or licenses that it does not currently have.

Furthermore, if, whether by reason of changes in law, regulation or interpretation or by reason of Galaxy's or GDH LP's conduct, Galaxy no longer qualifies for applicable exemptions from commodity pool or investment company laws, the results may materially adversely affect Galaxy and could lead to Galaxy's liquidation or sale, which may lead to material or complete losses for holders of Ordinary Shares.

Holders of Ordinary Shares may be prevented from exercising voting power commensurate with their economic interests in Galaxy.

In respect of any general resolution proposed for approval by holders of Ordinary Shares, whether it relates to the election of directors or to any other matter, each holder will be required to certify that it is not a U.S. resident and, to the extent that it holds Ordinary Shares for the account or benefit of any other person, that person is not a U.S. resident. Those holders who do not so certify will still be able to vote on the resolution, but the aggregate total of the votes that those holders are entitled to cast will be limited to 49% of the total number of votes that all holders of Ordinary Shares are entitled to cast. This "variable voting" may cause certain holders' views to have a greater or lesser influence on the governance of Galaxy than would be the case solely on the basis of percentage holdings of Ordinary Shares. In the extreme, if only a small number of holders of Ordinary Shares were to provide the certification referred to above, they would hold outsized voting power in and influence over Galaxy. Also, this variable voting, to the extent that it causes voting power to diverge from percentage holdings of Ordinary Shares, would necessarily disadvantage U.S. residents who hold Ordinary Shares or persons that hold beneficially Ordinary Shares through U.S. residents.

Galaxy and GDH LP are required to indemnify directors and certain officers or other agents against a wide range of potential liabilities. These indemnification obligations could be material.

The constating documents of Galaxy and GDH LP provide for customarily broad rights of indemnification for directors as well as certain officers or other agents. The constating documents also provide for the possibility of advancement of expenses to such indemnified persons. In addition, each of Galaxy and GDH LP have entered into indemnification agreements with its directors and officers. While rights of indemnification are typically viewed as a key protection and inducement for indemnified persons to serve in senior roles in which they may be exposed to liability, indemnification payments and advancement of expenses may be material and may have an adverse effect on Galaxy or GDH LP. Furthermore, indemnified persons may be subject to derivative or other similar claims brought by the shareholders or GDH LP itself, which claims would generally be expected to be covered by rights of indemnification and, potentially, advancement of expenses. In certain circumstances, subject to applicable laws in the relevant jurisdictions, indemnified persons may be entitled to indemnification even if their liabilities arose from their own negligence or unlawful conduct. Galaxy or GDH LP has incurred, and is expected to continue to incur, significant expense to procure directors and officers liability insurance that both supports potential indemnification obligations of Galaxy and GDH LP and, in some cases, provides indemnified persons with additional protection beyond the scope

of these obligations. If Galaxy or GDH LP is unable to maintain adequate insurance, there could be adverse consequences.

The holding of, or trading in, Ordinary Shares may be, or become, illegal in certain countries or other jurisdictions.

One or more countries or jurisdictions, including but not limited to China, Russia, South Korea, the United States and Canada, may take regulatory actions now or in the future that severely restrict the right to acquire, own, hold, sell or use digital assets. Such actions or restrictions may also result in the restriction of holding or trading in Ordinary Shares or cause the price of any affected digital asset to decrease, possibly substantially. Such actions or restrictions would likely materially and adversely affect the effectiveness of GDH LP's investment and trading strategies, the value of its assets and the value of any investment in Galaxy. Shareholders are urged to consult legal advisors in their own relevant jurisdictions with respect to the current and prospective lawfulness of their purchasing, holding or selling Ordinary Shares.

Ordinary Shares are generally not permitted to be acquired by U.S. Benefit Plan Investors, which could reduce Ordinary Shares' liquidity. Conversely, if U.S. Benefit Plan Investors were to acquire sufficient numbers of Ordinary Shares notwithstanding and in contravention of this limitation, Galaxy could be materially and adversely affected.

With limited exceptions as may be determined by the Company's board of directors (the "**Board**"), Ordinary Shares may not be acquired by U.S. Benefit Plan Investors. Galaxy's constating documents provide that Galaxy need not recognize any purported transfer of Ordinary Shares to a U.S. Benefit Plan Investor and will be entitled, via an "excess share" provision, to cause any U.S. Benefit Plan Investor who acquired Ordinary Shares in contravention to sell or otherwise divest such Ordinary Shares, including to Galaxy or to a trust or similar vehicle established for this purpose. Furthermore, the shares could, now or in the future, represent ineligible investments for other categories of institutional purchasers as well. In each case, these considerations may reduce the number of prospective purchasers for whom Ordinary Shares are an attractive investment and therefore reduce Ordinary Shares' value and liquidity.

Conversely, if U.S. Benefit Plan Investors were to acquire sufficient numbers of Ordinary Shares notwithstanding and in contravention of this limitation, Galaxy could be materially and adversely affected. For example, if Employee Retirement Income Security Act of 1974 ("**ERISA**") plans were to acquire 25% or more of Ordinary Shares, the assets of the Company would likely be deemed to be "plan assets" under ERISA, which would result, among other things, in the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by Galaxy and the possibility that certain transactions in which Galaxy might otherwise seek to engage could constitute "prohibited transactions" under ERISA and Section 4975 of the Internal Revenue Code (the "**Code**"), subjecting Galaxy to potential liability under ERISA and penalty taxes under the Code. While Galaxy has instituted safeguards to prevent this result, it is possible that such safeguards could fail to be effective (or could be deemed to have failed by a relevant governmental authority).

Risks Related to GDH LP

GDH LP has limited operating history. Its business lines are nascent, unproven and subject to material legal, regulatory, operational, reputational, tax and other risks in every jurisdiction and are not assured to be profitable.

GDH LP and its subsidiaries have limited operating history on which an investor might evaluate their performance. GDH LP is therefore subject to many of the risks ordinary to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues, any of which could have a material adverse effect on GDH LP and may force it to reduce or curtail operations. There is no assurance that GDH LP will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. Even if GDH LP accomplishes these objectives, it may not generate the anticipated positive cash flows or profits. No assurance can be given that GDH LP will ever be successful in its operations and operate profitably.

Furthermore, GDH LP's business lines are nascent, unproven and subject to material legal, regulatory, operational, reputational, tax and other risks in every jurisdiction and are not assured to be profitable. GDH LP may fail to be able to implement its investment or trading strategies, achieve its investment objectives, develop its business lines or produce a return for its investors. GDH LP has chosen to pursue a number of different businesses in this evolving

industry. It is possible that some of these businesses may be difficult to enter and/or it may become evident that a particular business is not a productive use of capital or time. This could result in GDH LP modifying its businesses and focus. In particular, GDH LP may become involved in investments and projects that are not directly related to the digital asset or blockchain industry. These projects are likely to relate to industries and clients that GDH LP believes will benefit in the future from blockchain technology and GDH LP's experience and network in digital assets industry.

From time to time, GDH LP may also launch new lines of business, offer new products and services within existing lines of business or undertake other strategic projects. There are substantial risks and uncertainties associated with these efforts and GDH LP would invest significant capital and resources in such efforts. Regulatory requirements can affect whether initiatives are able to be brought to market in a manner that is timely and attractive to customers of GDH LP. Initial timetables for the development and introduction of new lines of business, products or services and price and profitability targets may not be met.

Furthermore, GDH LP's revenues and costs may fluctuate due to start-up costs associated with new businesses or products and services while revenues may take time to develop, which may adversely impact GDH LP's results of operations. To date, while GDH LP has had realized gains on its investments it has not earned meaningful revenue, although it has flexibility to monetize assets. If GDH LP is unable to successfully manage its business while reducing expenses, its ability to continue in business could depend on the ability to raise sufficient additional capital, obtain sufficient financing and monetizing assets. The occurrence of any of the foregoing risks would have a material adverse effect on GDH LP's financial results, business and prospects.

GDH LP's businesses may require regulatory licenses and qualifications that GDH LP does not currently have and that may be costly and time-consuming to obtain and, if obtained, may subsequently be revoked.

GDH LP's businesses involve certain activities which require regulatory licenses and qualifications such as dealing, management and investment banking activities. These activities are often subject to material, costly and constraining financial regulation in jurisdictions worldwide. The process of acquiring and maintaining these licenses and qualifications will be costly and time-consuming, will occupy material management attention and is not certain to be successful, given that GDH LP may not meet the requirements for such licenses or qualifications or may fail to secure discretionary approval of relevant regulatory bodies. Galaxy Digital Partner's Continuing Membership Application to the Financial Industry Regulatory Authority ("GDP's CMA") was approved in July 2019. However, there is no assurance this approval will be maintained or will not be subsequently limited in scope, and these events could have a significant and negative effect not only on GDH LP's businesses in that market, but also on its reputation generally. Future expansions or material changes to GDP's CMA will require additional approvals that may be difficult to obtain. The law and regulation surrounding the operation of financial businesses with respect to digital assets is also unclear, uncertain, rapidly evolving and not assured to develop in a way that is favorable to GDH LP. There is a risk that aspects of GDH LP's businesses could be outlawed in jurisdictions around the world.

Changes in law or regulation could subject GDH LP to further material, costly and constraining regulation, registration, licensing and other requirements.

Legal or regulatory changes or interpretations of GDH LP's existing and planned activities (including those of its subsidiaries), including the mere buying and selling of digital assets, could require the registration or licensing of GDH LP and/or its subsidiaries in additional, costly and constraining capacities, such as a money services business under the regulations promulgated by U.S. Financial Crimes Enforcement Network under the authority of the U.S. Bank Secrecy Act or the BitLicense scheme adopted by the New York State Department of Financial Services, or pursuant to applicable laws of Canada and other jurisdictions, and would therefore require GDH LP and/or its subsidiaries to comply with applicable regulatory, licensing, examination and supervision requirements. Such additional requirements could cause GDH LP to incur extraordinary expenses, possibly materially and adversely affecting GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy).

GDH LP is highly dependent on Michael Novogratz, which exposes Shareholders to material and unpredictable "key man" risk.

GDH LP is highly dependent on the services of its founder, Chairman and CEO, Michael Novogratz, for conducting its businesses, implementing investment and trading strategies and establishing and maintaining relationships with

key business counterparties. If the services of Mr. Novogratz were to become unavailable for any reason including a voluntary decision by Mr. Novogratz to no longer continue with the business, it would have a material adverse effect on GDH LP's business and investment decisions, financial results and returns to Shareholders.

GDH LP is controlled by Mr. Novogratz, whose interests may be different from those of Shareholders.

As of the date of this prospectus, Mr. Novogratz controlled nearly 70% of Galaxy on a fully-exchanged basis (assuming all B Units are vested and exchanged). Accordingly, Mr. Novogratz has the ability to substantially control GDH LP, including to elect members of the Managers of the board of GDH GP (the "**GDH GP Board**"). Where certain transactions, require the approval of Shareholders, though Mr. Novogratz may not be able to unilaterally authorize the transaction he may be able to unilaterally block it. This concentration of ownership and voting power may also delay, defer or prevent an acquisition by a third party or other change of control of GDH LP or Galaxy and may make some transactions more difficult or impossible without the support of Mr. Novogratz even if they are in the best interests of the Shareholders. Collectively, these considerations may have a negative effect on the price of Ordinary Shares.

Mr. Novogratz's interests may not be fully aligned with those of Shareholders which, given Mr. Novogratz's power and influence, could lead to actions that are not in the best interests of Shareholders. For example, Mr. Novogratz may have a different tax position from Galaxy (and Shareholders), which could influence his decisions regarding whether and when GDH LP should dispose of assets or incur new, or refinance existing, indebtedness. Mr. Novogratz might also be motivated to take actions to retain his controlling stake in GDH LP at the expense of maximizing the overall value of GDH LP (and therefore Galaxy and the Ordinary Shares). Mr. Novogratz's fiduciary duties and the consent rights of Galaxy and the Shareholders may serve as a check on any such motivation, but Shareholders cannot be assured that the potential divergence of Mr. Novogratz's interests and theirs might not hurt the value of Ordinary Shares.

Mr. Novogratz could engage in activities outside of GDH LP or could quit GDH LP in favor of other pursuits.

Mr. Novogratz is not contractually required to continue to provide services to GDH LP. While his employment agreement contains covenants that he will not compete with GDH LP and applicable laws may prevent Mr. Novogratz from engaging in certain directly competitive activities while he is a member of the Board or the GDH GP Board, such laws will not guarantee to Shareholders that Mr. Novogratz will devote his full time, attention or efforts to GDH LP. Furthermore, if Mr. Novogratz were to cease to provide services to GDH LP, he could engage in other pursuits, which may relate to digital assets or investing, while remaining the largest and generally controlling owner of GDH LP, an outcome that may be unfavorable to Shareholders. Mr. Novogratz may also continue to manage significant non-digital assets outside of GDH LP, which may consume some of his time, attention and efforts.

Mr. Novogratz's public profile makes it more likely that Galaxy or GDH LP will attract material regulatory scrutiny, which would be costly and distracting regardless of whether Galaxy or GDH LP has engaged in any unlawful conduct.

Mr. Novogratz has been a vocal and visible proponent of digital assets, in some cases attracting controversy in connection with his views and statements. These considerations make it foreseeable that Galaxy or GDH LP could attract material regulatory scrutiny driven in part by the visibility of Mr. Novogratz. Regulatory scrutiny may take the form of requests for information or responses, examinations, meetings or other types of interactions that do not proceed to any formal enforcement action, suit, fine or other formal negative sanction but that can nonetheless consume a material amount of management's time, attention and efforts, lead to material spending on legal and other advisors and cause other negative consequences.

If GDH LP is unable to successfully identify, hire and retain qualified individuals, it will not be able to implement its growth strategy successfully.

GDH LP's growth strategy is based, in part, on its ability to attract and retain highly qualified individuals. Competition presented by other firms may create difficulty for GDH LP in recruiting and retaining professionals of a caliber consistent with its business strategy. If GDH LP is unable to successfully identify qualified professionals, this failure could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy).

In addition, there is a risk that an employee of or contractor to GDH LP or any of its affiliates could engage in misconduct that adversely affects its business and results. It is not always possible to deter such misconduct, and the precautions GDH LP takes to detect and prevent such misconduct may not be effective in all cases. Misconduct by an employee of or contractor to GDH LP or any of its affiliates, or even unsubstantiated allegations of such misconduct, could result in both direct financial harm to those entities and Galaxy.

GDH LP or its subsidiaries and affiliates, face substantial litigation and regulatory risks.

As an enterprise whose material business lines include financial services, GDH LP or its subsidiaries and affiliates, depend to a significant extent on its relationships with its clients and counterparties and its reputation for integrity and high-caliber professional services. As a result, if a client is not satisfied with GDH LP's services, a counterparty has a dispute or if there are allegations of improper conduct by private litigants or regulators, whether the ultimate outcome is favorable or unfavorable to GDH LP, or if there is negative publicity and press speculation about GDH LP, whether or not valid, GDH LP's reputation may be harmed and may be more damaging to GDH LP's businesses than to businesses in other non-financial industries.

GDH LP or its subsidiaries and affiliates could be the subject of inquiries, investigations, lawsuits and proceedings by counterparties, clients, other third parties and regulatory and other governmental agencies in the U.S. and abroad, which could lead to increased expenses or reputational damage. Responding to inquiries, investigations, lawsuits and proceedings, regardless of the ultimate outcome of the matter, is time-consuming and expensive and can divert the attention of senior management. The outcome of such proceedings may be difficult to predict or estimate until late in the proceedings, which may last a number of years.

Certain GDH LP subsidiaries are subject to periodic examination by regulatory authorities. If compliance failures or other violations are found during an examination, a regulatory agency could initiate actions and impose sanctions for violations, including, for example, regulatory agreements, cease and desist orders, civil monetary penalties or termination of a license and could lead to litigation by investors or clients, any of which could adversely impact GDH LP.

If GDH LP and/or any governmental agency believe that it has accepted capital contributions by, or is otherwise holding assets of, any person or entity that is acting directly or indirectly, in violation of U.S., international or other anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organization, suspected drug trafficker or senior foreign political figure(s) suspected in engaging in foreign corruption, GDH LP and/or such governmental agency may "freeze the assets" of such person or entity. GDH LP may also be required to report and remit or transfer those assets to a governmental agency.

As a publicly listed company, Galaxy is also subject to the risk of claims under applicable Canadian securities laws. Volatility in the stock price of Galaxy increases the risk of such claims.

GDH LP's use of technology, proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk.

GDH LP relies heavily on the use of technology, proprietary and non-proprietary software, data and intellectual property of GDH LP and third parties in the digital asset sector. The reliance on this technology and data is subject to a number of important risks. Much of the existing technology for the financial services businesses was not built to service digital assets, which require a unique set of considerations. GDH LP is working with numerous service providers to help develop technology to service the industry. If these platforms and technology solutions do not work as planned, or do not meet the level of quality required by GDH LP, it may make transacting business less efficient, more expensive and potentially prone to errors.

The operation of any element of the digital assets network or any other electronic platform may be severely and adversely affected by the malfunction of its technology and the technology of third parties. For example, an unforeseen software or hardware malfunction could occur as a result of a virus or other outside force, or as result of a design flaw in the design and operation of the network or platform. Furthermore, if GDH LP's software, hardware, data or other intellectual property is found to infringe on the rights of, or GDH LP's rights therein are found to be infringed upon by, any third party, the underlying value of the assets of GDH LP could be materially and adversely affected.

Third parties with which GDH LP does business or that facilitate GDH LP's business activities, including exchanges, financial intermediaries or vendors that provide services or security solutions for GDH LP's operations, could also be sources of technology risk to GDH LP, including from breakdowns or failures of their own systems or capacity constraints or other services that impair GDH LP's ability to process transactions and communicate with customers and counterparties. In addition, GDH LP is exposed to the risk that a technology disruption or other information security event at a vendor to GDH LP's third-party service providers could impede their ability to provide products or services to GDH LP. GDH LP may not be able to effectively monitor or mitigate operational risks relating to the use of vendors by third-party service providers.

GDH LP's businesses rely on third-party service providers.

GDH LP's operations could be interrupted if GDH LP's third-party service providers experience operational or other systems difficulties, terminate their services or fail to comply with regulations. GDH LP outsources some of its operational activities and accordingly depend on relationships with many third-party service providers. Specifically, GDH LP relies on third parties for certain services, including, but not limited to, legal, accounting, financial operations, trade related activity, IT infrastructure and systems, trade reconciliation, and margin and collateral movement. GDH LP's business depends on the successful and uninterrupted functioning of GDH LP's information technology and telecommunications systems and third-party service providers. The failure of these systems, a cybersecurity breach involving any of GDH LP's third-party service providers or the termination or change in terms of a third-party software license or service agreement on which any of these systems is based could interrupt GDH LP's operations. Because GDH LP's information technology and telecommunications systems interface with and depend on third-party systems, GDH LP could experience service denials if demand for such services exceeds capacity or such third-party systems fail or experience interruptions. Replacing vendors or addressing other issues with GDH LP's third-party service providers could entail significant delay, expense and disruption of service. As a result, if these third-party service providers experience difficulties, are subject to cybersecurity breaches, or terminate their services, and GDH LP is unable to replace them with other service providers, particularly on a timely basis, GDH LP's operations could be interrupted. If an interruption were to continue for a significant period, GDH LP's business, financial condition and results of operations could be adversely affected. Should GDH LP be required to replace third-party service providers, it may be at a higher cost to GDH LP, which could adversely affect GDH LP's business, financial condition and results of operations.

Cybersecurity incidents and other systems and technology problems may materially and adversely affect GDH LP.

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The digital asset industry is a particular target for cybersecurity incidents, which may occur through intentional or unintentional acts by individuals or groups having authorized or unauthorized access to GDH LP's systems or GDH LP's clients' or counterparties' information, which may include confidential information. These individuals or groups include employees, vendors and customers, as well as hackers. The information and technology systems used by GDH LP and its service providers are vulnerable to damage or interruption from, among other things: hacking, ransomware, malware and other computer viruses; denial of service attacks; network failures; computer and telecommunication failures; phishing attacks; infiltration by unauthorized persons; security breaches; usage errors by their respective professionals; power outages; terrorism; and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. GDH LP has experienced cybersecurity incidents, none of which have been material. While GDH LP will deploy a range of defenses, it is possible GDH LP could suffer an impact or disruption that could materially and adversely affect GDH LP. The security of the information and technology systems used by GDH LP and its service providers may continue to be subjected to cybersecurity threats that could result in material failures or disruptions in its business. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, GDH LP or a service provider may have to make a significant investment to fix or replace them. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to shareholders (and the beneficial owners of shareholders). Such a failure could harm GDH LP's reputation, subject it to legal claims and otherwise materially and adversely affect GDH LP's investment and trading strategies and the value of GDH LP (and therefore Galaxy).

Operational risk may materially and adversely affect GDH LP's performance and results.

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events. GDH LP's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. As GDH LP operates trading, lending, investment and other businesses that are reliant on both technology and human expertise and execution, GDH LP is exposed to material operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of GDH LP's service providers, counterparties or other third parties, failed or inadequate processes and technology or system failures.

Digital asset transfers are typically not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer or theft of digital assets generally will not be reversible and GDH LP may not be capable of seeking compensation for any such transfer or theft. Although, GDH LP has processes and procedures in place to limit any such transfers, nonetheless it is possible that, through computer or human error, or through theft or criminal action, GDH LP digital assets could be subject to these operations errors and transferred from its accounts in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts. Operational errors or significant operational delays could materially negatively impact GDH LP's ability to conduct its business or service its clients, which could adversely affect results of operations due to potentially higher expenses and lower revenues, create liability for GDH LP or its clients or negatively impact its reputation. Recurring operational issues may raise concerns among regulators regarding our governance and control environment.

GDH LP may not be effective in mitigating risk.

GDH LP seeks to mitigate risk and has established policies and procedures to provide a sound operational environment for the types of risk to which it is subject, including operational risk, credit risk, market risk and liquidity risk. However, as with any risk management framework, there are inherent limitations to GDH LP's current and future risk management strategies, including risks that it has not appropriately anticipated or identified. Accurate and timely enterprise-wide risk information is necessary to enhance management's decision-making in times of crisis. If GDH LP's risk management framework proves ineffective or if GDH LP's enterprise-wide management information is incomplete or inaccurate, it could suffer unexpected losses, which could materially adversely affect its results of operations or financial condition.

Managing different business lines could present conflicts of interest.

GDH LP is building a full service, institutional-quality financial services business through its business lines: trading, principal investments, asset management, lending and investment banking. Subject to applicable regulatory approvals, GDH LP may also launch additional business lines from time to time. There are certain inherent and potential conflicts of interest in managing different business lines. Due to the broad scope of GDH LP's businesses, potential conflicts of interest include situations where its services to a particular client or GDH LP's own investments or other interests conflict, or are perceived to conflict, with the interests of another client, as well as situations where one or more of GDH LP's businesses have access to material non-public information that may not be shared with its other businesses and situations where GDH LP may be an investor or creditor of an entity with which it also has an or other relationship. For example, GDH LP subsidiaries may provide investment banking to companies that are also investee companies of Galaxy Digital Ventures LLC or Galaxy Digital Capital Management. Furthermore, the allocation of investment opportunities among funds and GDH LP could also present a conflict of interest. In managing these different conflicts, fiduciary duty obligations may require GDH LP to resolve conflicts in favor of clients over the firm or other third parties. Employees and executives may also have conflicts of interest in allocating their time and activity between the businesses. GDH LP manages conflicts of interest through a number of ways including with a conflicts committee. However, appropriately identifying and dealing with conflicts of interest is complex and difficult, and GDH LP's reputation could be damaged and the willingness of clients to enter into transactions with GDH LP may be affected if GDH LP fails, or appears to fail, to identify, disclose and deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions. A failure to appropriately identify and address potential conflicts of interest could adversely affect GDH LP's businesses.

GDH LP incurs increased costs as a result of supporting Galaxy and funding the requirements applicable to Galaxy as a public company.

Galaxy incurs significant levels of legal, accounting and other expenses in respect of its status as a publicly listed company. Canadian Securities Law, together with the listing requirements of the exchanges (or any other stock exchange on which Ordinary Shares may be listed on in the future), impose significant requirements relating to disclosure controls and procedures and internal control over financial reporting. GDH LP incurs significant costs as a result of compliance with these public company requirements at both Galaxy and GDH LP levels, which require additional resources and make some activities more time-consuming. As a company in the digital assets industry, GDH LP may experience higher-than-anticipated operating expenses as well as higher independent auditor and consulting fees and may need to hire additional qualified personnel to continue to satisfy these public-company requirements. GDH LP is required to expend considerable time and resources with respect to Galaxy's compliance with public company regulations. If Galaxy or GDH LP is unable to satisfy Galaxy's obligations as a public company, Galaxy could be subject to de-listing of Ordinary Shares, fines, sanctions or other detrimental regulatory actions.

Force majeure events may materially and adversely affect the business continuity of GDH LP.

GDH LP may be affected by events beyond its control, including acts of nature, fires, floods, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes. Some such events may adversely affect the ability of GDH LP or a counterparty to GDH LP to perform its obligations. In addition, the cost to GDH LP of repairing or replacing damaged reputation or assets as a result of such an event could be considerable. Certain events such as war or an outbreak of an infectious disease could have a broader negative impact on the world economy and international business activity generally, or in any location in which GDH LP may invest or conduct its business specifically.

The COVID-19 pandemic and resulting impact on the global economy may materially and adversely affect GDH LP.

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. In December 2019, a novel strain of the coronavirus emerged and infections have been reported globally. The novel coronavirus, COVID-19, is a global pandemic. At present, as is ordinary across industries and geographies, GDH LP could be materially and adversely affected by a range of factors and developments related to COVID-19, largely beyond its control. The extent to which the coronavirus impacts GDH LP's business, including its operations and market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak.

For example, during the first quarter of 2020, global financial markets experienced a period of sharp decline and volatility due in large part to the real and perceived economic impact of the novel coronavirus (COVID-19) pandemic. The public health impact of the coronavirus, as well as the steps taken by governments and businesses around the world to combat its spread, could have an adverse impact on the global economy. Any such economic downturn, either short-term or prolonged, could impact the digital asset market as well. For example, global economic uncertainty could lead to delays in the adoption or investment in digital assets and the blockchain industry.

During the global financial crisis of 2007 to 2008, various sectors of the global financial markets experienced an extended period of adverse conditions featuring market uncertainty, reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. To the extent that similar marketplace events were to occur in the future, either as a result of the coronavirus pandemic or otherwise, these events may have an adverse impact on GDH LP's investments. In addition, governments from time to time intervene, directly and by regulation in ways that are unpredictable during times of crisis. Such intervention is often intended to directly influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction.

Business activities could also be adversely impacted as the fundraising for asset management products and investment banking transactions may be delayed. To the extent that the COVID-19 pandemic continues and worsens, the impacts on the global economy are unpredictable and could materially and adversely affect GDH LP's investments, businesses and GDH Ltd.'s stock price. In particular, the continued spread of the coronavirus globally could materially and

adversely impact GDH LP's business including without limitation, employee health, workforce productivity, increased expenses and other factors that will depend on future developments beyond GDH LP's control, which may have a material and adverse effect on its business, financial condition and results of operations. Such adverse effect could be rapid and unexpected.

Enforceability of Foreign Judgments Against the Company

Although the Company has appointed Blake, Cassels & Graydon LLP as its agent for service of process in Canada, it may not be possible for investors to enforce judgments obtained in Canada against the Company, GDH LP, its subsidiaries, or its non-resident officers and directors predicated on the civil liability provisions of applicable securities legislation or otherwise. Judgments against the Company, GDH LP, its subsidiaries, or its non-resident officers and directors obtained in Canada may therefore have to be enforced outside of Canada and may be subject to additional defences as a result. In addition, substantially all of the Company's, GDH LP's, its subsidiaries' and its non-resident officers' and directors' assets are located outside of Canada and therefore it may not be possible for investors to enforce judgments obtained in Canadian courts against the Company, GDH LP, its subsidiaries and its non-resident officers and directors. See "Enforcement of Judgments and other Matters under Cayman Company Law".

The rights of holders of the Company's Ordinary Shares and the fiduciary duties owed by the Board are governed by Cayman Islands law

The Company is registered by way of continuation in the Cayman Islands. The rights of holders of the Ordinary Shares and the fiduciary duties that the Board owes to the Company and holders of the Ordinary Shares are governed by Cayman Islands law and the memorandum and articles of association of the Company. Such rights and duties may differ in material respects from, and be worse for holders of the Ordinary Shares than, the rights and duties that would be applicable if the Company were organized under the laws of a different jurisdiction or if the Company were not permitted to vary such rights and duties in its memorandum and Articles of Association.

Risks Related to GDH LP's Lines of Business

Changes in the value levels of the assets may cause GDH LP's assets under management, revenue and earnings to decline.

GDH LP asset management business, which is conducted through one or more subsidiaries, is primarily comprised of fees based on a percentage of the value of AUM and, in some cases, performance fees which are normally expressed as a percentage of returns to the client. Numerous factors, including price movements in the assets in the markets in which GDH LP manages assets, could cause:

- the value of AUM, or the returns that GDH LP realizes on AUM, to decrease;
- the withdrawal of funds from any products offered by GDH LP in favor of products offered by competitors;
or
- a decrease in the value of seed or co-investment capital or a decrease in the amount of such capital available to invest.

The occurrence of any of these events may cause GDH LP's AUM, revenue and earnings, if any, to decline and may negatively impact the success of GDH LP's asset management business.

There are material risks and uncertainties associated with custodians of digital assets.

GDH LP uses custodians, exchanges and third-party wallet providers to hold its digital assets. Such parties may or may not be subject to regulation by U.S. state or federal or non-U.S. governmental agencies or other regulatory or self-regulatory organizations. While not currently anticipated, GDH LP could have a high concentration of its digital assets in one location or with one custodian, exchange or wallet provider, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware or cyberattacks. Certain custodians, exchanges or third-party wallet providers may not indemnify GDH LP against any losses of digital assets or may not have full

insurance over the assets under custody. Digital assets held by certain custodians, exchanges or third-party wallet providers may be transferred into “cold storage” in which case there could be a delay in retrieving such digital assets.

GDH LP may also incur costs related to the third-party custody and storage of its digital assets. Any security breach, incurred cost or loss of digital assets associated with the use of a custodian could materially and adversely affect GDH LP’s investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy).

Galaxy Digital Capital Management is registered as an investment adviser under the Advisers Act. Among other requirements, the Advisers Act mandates that if a registered adviser has custody of client funds and securities, it must maintain them with a “qualified custodian.” Given the characteristics of digital assets and the relative immaturity of the asset class, there are limited numbers of “qualified custodians” available at this time (if any). Difficulties in finding a “qualified custodian” could have a material adverse effect on the asset management business, including potentially causing it to liquidate a substantial portion of its portfolio. There is also a risk that the SEC determines that certain custodians used are not, regardless of their representations to the contrary, “qualified custodians”, which would potentially require the asset management group to move certain digital assets and/or subject it to regulatory action. The uncertainty and potential difficulties associated with this question and related questions could materially and adversely affect GDH LP’s asset management business.

The asset management business is highly regulated and regulators may apply or interpret these regulations with respect to digital assets in novel and unexpected ways.

Asset management is a highly regulated business subject to numerous legal and regulatory requirements. These regulations are intended to protect customers whose assets are under management and, as such, may limit GDH LP’s ability to develop, expand or carry out its asset management business in the intended manner. GDH LP is guided in significant part by regulatory regimes that are not clear or are not yet developed. To the extent that there is any ambiguity as to whether an asset under management is a security, the applicability of many regulations to GDH LP’s asset management business will not be clear. Furthermore, GDH LP must address conflicts of interest, as well as the perception of conflicts of interest, between itself (including the other business lines of GDH LP) and its clients and funds. In particular, GDH LP will be required to act in the best interest of its clients and funds, which may include allocating opportunities to its clients and funds rather than to its own principal business lines. In addition, the regulators have substantial discretion in determining what is in the best interest of a client of a fund and have increased their scrutiny of potential conflicts. Appropriately dealing with conflicts of interest is complex and if GDH LP fails, or appears to fail, to deal appropriately with any of these conflicts of interest, it may face reputational damage, litigation, regulatory proceedings, or penalties, fines or sanctions, any of which may have a material and negative impact on GDH LP’s asset management business. In addition, to the extent that GDH LP is required to obtain client or investor consent in connection with any potential conflict, any failure or delay in obtaining such consent may have a material and negative impact on GDH LP’s ability to take advantage of certain business opportunities.

Increased competition may cause GDH LP’s AUM, revenue and earnings to decline.

The asset management industry is highly competitive and has relatively low barriers to entry. GDH LP currently expects that, as digital assets become more mainstream, additional competitors, potentially in large numbers, may begin providing asset management services with respect to digital assets. GDH LP competes based on a number of factors including: investment performance, the level of fees charged, the quality and diversity of services and products provided, name recognition and reputation, and the ability to develop new investment strategies and products to meet the changing needs of investors. In addition, the introduction of new technologies, as well as regulatory changes, may significantly alter the competitive landscape for investment managers in digital assets. This could lead to fee compression or require GDH LP to spend more to modify or adapt its product offerings to attract and retain customers and remain competitive with products and services offered by new competitors in the industry. Increased competition on the basis of any of these factors, including competition leading to fee reductions, or may cause our AUM, revenue and earnings to decline. Any of these could materially and negatively impact the success of GDH LP’s asset management business.

The success of GDH LP’s investment banking business will depend on generating and maintaining ongoing, profitable client demand for its services and solutions, and the failure of that demand to materialize or any future

significant reduction in such demand or an inability to respond to the evolving technological environment could materially negatively affect GDH LP's investment banking business.

The success of GDH LP's investment banking business, which is conducted through one or more subsidiaries, depends on creating and maintaining a demand for its services and solutions with favorable margins. The ability to realize or maintain this demand could be negatively affected by numerous factors, many of which will be beyond the control of GDH LP and unrelated to its future work product.

Developments in the digital asset industry, which are expected to be rapid, could shift demand to new services and solutions. If, as a result of new technologies or changes in the industries the GDH LP serves, or clients demand new services that GDH LP does not or is unable to provide, GDH LP may be less competitive in these new areas or need to make significant investment to meet that demand. GDH LP's strategy for developing its investment banking business focuses on responding to these types of developments by driving innovation that will enable GDH LP to expand its investment banking business into new growth areas. If GDH LP does not sufficiently invest in new technology and adapt to industry developments or evolve and expand our business at sufficient speed and scale, the success or even the viability of GDH LP's investment banking business would be negatively affected.

GDH LP may become involved in investment banking projects that are not directly related to the digital asset or blockchain industry. These projects are likely to relate to industries and clients that GDH LP believes will benefit in the future from blockchain technology and GDH LP's experience and network in digital assets industry.

The success of GDH LP's investment banking business could materially suffer if it is unable to obtain favorable pricing for services and solutions or if GDH LP is unable to remain competitive.

The success of GDH LP's investment banking business may be significantly affected by its ability to price its investment banking services properly. If GDH LP is not able to obtain favorable pricing for its investment banking services and solutions, the success of GDH LP's investment banking business may materially suffer. The rates GDH LP charges for its services and solutions may be affected by a number of factors, including:

- general economic and political conditions;
- the competitive environment in our industry; and
- the procurement practices of clients and their use of third-party advisors.

GDH LP believes that currently there are limited persons providing the digital asset investment banking services that GDH LP provides. However, the barrier to entry is very low and competitors can easily and will likely provide similar services in the near future. The success of GDH LP's investment banking business could suffer if it is not able to remain competitive. The less GDH LP is able to differentiate its services and solutions or clearly convey the value of its services and solutions, the more risks GDH LP will face in winning new work in sufficient volumes and at target pricing, which could materially negatively impact the success or viability of GDH LP's investment banking business. In addition, the introduction of new services or products by competitors could reduce GDH LP's ability to obtain favorable pricing and impact the overall economics for the services or solutions offered.

GDH LP's co-investments with third parties may be subject to substantial risk.

GDH LP may co-invest with third parties, including parties related to Mr. Novogratz, through joint ventures or other entities. Such investments may include risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties, may have interests or goals that are inconsistent with those of GDH LP or may be in a position to take action in a manner contrary to GDH LP's investment objectives.

GDH LP is subject to risks in connection with its lending business.

GDH LP and its subsidiaries have loaned money to other companies as part of its principal investment business. The return of principal of the GDH LP's loans will depend in large part on the creditworthiness and financial strength of the issuers of such loans. While GDH LP performs extensive due diligence on its investments, nonetheless defaults are possible. In the event of a default by a borrower underlying an investment, GDH LP might not receive payments

to which it is entitled and thereby could experience a decline in the value of its investments in the borrower. In the case of loans that are secured by collateral, while GDH LP generally expects the value of the collateral to be greater than the value of such loans, the value of the collateral could actually be equal to or less than the value of such loans or could decline below the outstanding amount of such loans subsequent to the investment. This risk is heightened given that some portion of the collateral for these loans is expected to be digital assets, and thus subject to the volatility, liquidity and other risks detailed herein. The ability of GDH LP to have access to the collateral could be limited by bankruptcy and other insolvency laws. Under certain circumstances, the collateral could be released with the consent of the lenders or pursuant to the terms of the underlying loan agreement with the borrower. There is no assurance that the liquidation of the collateral securing a loan would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal, or that the collateral could be readily liquidated. As a result, GDH LP might not receive full payment on a secured loan investment to which it is entitled and thereby could experience a decline in the value of, or a loss on, the investment.

Risks Related to Digital Assets

The continuing development and acceptance of digital assets and distributed ledger technology are subject to a variety of risks.

Cryptocurrencies, such as bitcoin, and the other types of digital assets in which GDH LP invests and trades involve a new and rapidly evolving industry of which blockchain technology is a prominent, but not unique, part. The growth of the digital asset industry in general, and distributed ledger technology that supports digital assets, is subject to a high degree of uncertainty. The factors affecting the further development of the digital asset industry, as well as distributed ledger technology, include: continued worldwide growth in the adoption and use of digital assets; government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of applicable distributed ledger technology or systems that facilitate their issuance and secondary trading; the maintenance and development of the open-source software protocol of certain blockchain networks used to support digital assets; advancements in technology, including computing power, that may render existing distributed ledger technology obsolete or too slow; the use of the networks supporting digital assets for developing smart contracts and distributed applications; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and general economic conditions and the regulatory environment relating to digital assets.

Many digital asset networks, including Bitcoin and Ethereum, operate on open-source protocols maintained by groups of core developers. The open-source structure of these network protocols means that certain core developers and other contributors may not be compensated, either directly or indirectly, for their contributions in maintaining and developing the network protocol. A failure to properly monitor and upgrade network protocol could damage digital asset networks. As these network protocols are not sold and their use does not generate revenues for development teams, core developers may not be directly compensated for maintaining and updating the network protocols. Consequently, developers may lack a financial incentive to maintain or develop the network, and the core developers may lack the resources to adequately address emerging issues with the networks. There can be no guarantee that developer support will continue or be sufficient in the future. To the extent that material issues arise with certain digital asset network protocols and the core developers and open-source contributors are unable or unwilling to address the issues adequately or in a timely manner, such digital asset networks, and any corresponding digital assets held may be adversely affected.

A decline in the adoption and use of digital assets would materially and adversely affect the performance of GDH LP.

Digital assets are a new asset class, represent a technological innovation, and are subject to a high degree of uncertainty. The adoption of digital assets will require growth in usage and technology for various applications. Adoption of digital assets will also require greater regulatory clarity. A lack of expansion in the use of digital assets and blockchain technologies would adversely affect the financial performance of GDH LP. In addition, there is no assurance that digital assets generally will maintain their value over the long term. The value of digital assets is subject to risks related to its use. If growth in the use of digital assets generally occurs in the near or medium term, there is no assurance that such use will continue to grow over the long term. A contraction in the use of digital assets may result in increased volatility or a reduction in prices, which would materially and adversely affect GDH LP's investment and trading strategies, the value of its assets, and the value of any investment in GDH LP.

The prices of digital assets are extraordinarily volatile.

Values of digital assets have historically been highly volatile. A decline in digital assets that GDH LP holds would negatively impact its financial position. A significant portion of demand for digital assets is generated by speculators and investors seeking to profit from the short- or long-term holding of these assets. Speculation regarding future appreciation in the value of a digital asset may inflate and make more volatile the price of that digital asset.

Several factors may affect the price of digital assets, particularly cryptocurrencies, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates, or future regulatory measures (if any) that restrict the trading of cryptocurrencies or the use of cryptocurrencies as a form of payment. Additionally, some purportedly decentralized digital assets may be more centralized than widely believed, or may become more centralized over time, increasing the risk that an adverse event impacting an individual personality or entity could result in a reduction in the price of digital assets. While digital assets networks are typically decentralized and do not need to rely on any single government or institution to create, transmit and determine value, in reality a single person or entity may have the ability to exert centralized authority over a network. Additionally, for digital assets that rely on miners, sophisticated miner groups may become unduly influential over time if system requirements become too high. Where a single person or entity exerts an outsize influence, an adverse event impacting that individual or entity, such as an insolvency proceeding, could result in a reduction in the price of a digital assets.

Cryptocurrencies should serve as a means of exchange, store of value, and unit of account. Many people using cryptocurrencies as money-over-internet-protocol (MoIP) do so with it as an international means of exchange. Speculators and investors using cryptocurrencies as a store of value then layer on top of means of exchange users, creating further demand. If consumers stop using cryptocurrencies as a means of exchange, or its adoption therein slows, then cryptocurrency prices may suffer, and any corresponding digital assets held may be adversely affected.

There is no assurance that cryptocurrencies will maintain their long-term value in terms of purchasing power in the future, or that acceptance of cryptocurrency payments by mainstream retail merchants and commercial businesses will continue to grow. Only a limited number of cryptocurrencies, including bitcoin, have recently become sometimes accepted as a means of payment for some goods and services, and use of cryptocurrencies by consumers to pay at retail and commercial outlets remains very limited. In part, this is because cryptocurrencies face significant scaling obstacles that can lead to high fees or slow transaction settlement times and attempts to increase the volume of transactions may not be effective. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such limited use as has developed to date, may result in increased volatility or a reduction in the value of that cryptocurrency or cryptocurrencies generally, either of which could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy).

Political or economic crises may motivate large-scale sales of digital assets, which would result in a reduction in values and materially and adversely affect GDH LP.

Cryptocurrencies, as an alternative to fiat currencies that are backed by central governments, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. For example, political or economic crises could motivate large-scale acquisitions or sales of digital assets either globally, regionally or locally. Large-scale sales of certain digital assets would result in a reduction in their value and could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of GDH LP (and therefore in Galaxy).

The regulation of digital assets continues to evolve in every jurisdiction, and regulatory changes or actions may restrict the use of digital assets, the operation of distributed ledger technologies that support such digital assets and platforms that facilitate the trading of such assets.

As digital assets have grown in popularity and in market size, governments, regulators and self-regulators (including law enforcement and national security agencies) around the world are examining the operations of digital asset issuers, users and platforms. To the extent that any Canadian, U.S. or other government or quasi-governmental agency exerts regulatory authority over the digital asset industry in general, the issuance of digital assets, and trading and ownership of, and transactions involving the purchase and sale or pledge of, such assets, may be adversely affected, which could

adversely affect GDH LP's businesses and investments. The effect of any future regulatory change on digital asset issuers and participants in general is impossible to predict, but such change could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy).

The legal status of digital assets varies substantially from jurisdiction to jurisdiction and is still undefined and changing in many of them. Likewise, various government agencies, departments, and courts have classified and continue to classify digital assets differently. Changes in laws, regulations, policies and practices could have an adverse effect on GDH LP, its strategies, business and investments. For example, regulatory agencies could shut down or restrict the use of platforms or exchanges using digital assets or otherwise limit the use of digital assets. This, and any other changes in laws, regulations, policies and practices, could lead to a loss of any investment made by or in GDH LP, and in turn in the Company, and may trigger regulatory action by securities or other regulators.

Furthermore, various jurisdictions may, in the near future, adopt laws, regulations or directives that affect digital assets, the related markets and exchanges and the ability to use, trade and hold digital assets. Such laws, regulations or directives may conflict with one another and may negatively affect the acceptance of digital assets by users, merchants and service providers and may therefore impede the growth or sustainability of the bitcoin economy in Canada, the United States, the European Union, China, Japan, Russia or other locations and globally, or otherwise negatively affect the value of digital assets. Although there continues to be uncertainty about the full impact of these and other regulatory changes, GDH LP may become subject to a more complex regulatory framework in the near future and incur additional costs to comply with new requirements as well as to monitor for compliance with any new requirements in the future.

The loss, destruction or theft of a private key required to access certain cryptocurrencies or digital assets may be irreversible. GDH LP's loss of access to its private keys or its experience of a data loss relating to its cryptocurrency or digital asset investments could adversely affect GDH LP.

Cryptocurrencies are controllable only by the possessor of the private key or keys relating to the "digital wallet" in which the currency is held. Private keys must be safeguarded and kept private in order to prevent a third party from accessing the cryptocurrencies while held in such wallet. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, GDH LP will be unable to access the cryptocurrencies held in the related digital wallet. Any loss of private keys relating to digital wallets used to store GDH LP or its affiliates cryptocurrencies could adversely affect its business and financial position.

Any loss of private keys relating to digital wallets used to store GDH LP's cryptocurrencies and digital assets could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy). If GDH LP's cryptocurrency or other digital assets are lost, stolen or destroyed under circumstances rendering a party liable to GDH LP, the responsible party may not have the financial resources sufficient to satisfy GDH LP's claims, which could lead to a material adverse effect on GDH LP.

GDH LP may not be able to realize the economic benefit of a hard fork or airdrop, either immediately or ever.

Hard forks may occur for a variety of reasons including, but not limited to, disputes over proposed changes to the protocol, significant security breach, or an unanticipated software flaw in the multiple versions of otherwise compatible software. In the event of a hard fork in a cryptocurrency held by the GDH LP, it is expected that the GDH LP would hold an equivalent amount of the old and new cryptocurrency following the hard fork.

Airdrops occur when the promoters of a new cryptocurrency send amounts of the new cryptocurrency to holders of another cryptocurrency that they will be able to claim a certain amount of the new cryptocurrency for free.

GDH LP may not be able to realize the economic benefit of a hard fork or airdrop, either immediately or ever, for various reasons. For instance, GDH LP may not have any systems in place to monitor or participate in hard forks or airdrops. Therefore, GDH LP may not receive any new cryptocurrencies created as a result of a hard fork or airdrop, thus losing any potential value from such cryptocurrencies.

The need to adopt technology in response to changing security threats poses a challenge to the safekeeping of GDH LP's digital asset holdings.

Holders of digital assets must adapt to technological change to secure and safeguard accounts. As technological change occurs, the security threats to GDH LP's digital asset holdings will likely adapt, and previously unknown threats may emerge. Furthermore, GDH LP may become a greater target of security threats as GDH LP's size and reputation increases. If GDH LP is unable to identify and mitigate or stop new security threats, GDH LP's assets may be subject to theft, loss, destruction or other attack, which could result in a loss of GDH LP's assets or materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy).

Due to the unregulated nature and lack of transparency surrounding the operations of exchanges, they may experience fraud, security failures or operational problems, which may adversely affect the value of digital assets traded on those exchanges and, consequently, GDH LP's investments and Galaxy's Ordinary Shares.

Digital asset exchanges on which digital assets trade are relatively new and, in some cases, unregulated. Furthermore, while some exchanges provide information regarding their ownership structure, management teams, corporate practices and regulatory compliance, many other exchanges do not. As a result, the marketplace may lose confidence in the less transparent or unregulated exchanges, including prominent exchanges that handle a significant volume of trading in these assets.

For example, in 2019 there were reports claiming that 80-95% of bitcoin trading volume on exchanges was false or non-economic in nature, with specific focus on unregulated exchanges located outside of the U.S. Such reports may indicate that the bitcoin exchange market is significantly smaller than expected and that the U.S. makes up a significantly larger percentage of such market than is commonly understood. Nonetheless, any actual or perceived false trading in exchanges, and any other fraudulent or manipulative acts and practices, could adversely affect the value of digital assets and/or negatively affect the market perception of such assets.

In addition, over the past several years, some exchanges have been closed due to fraud and manipulative activity, business failure or security breaches. In many of these instances, the customers of such exchanges were not compensated or made whole for the partial or complete losses of their account balances. Other exchanges have halted withdrawals for periods of time, making any assets on such exchange unavailable for other uses. While smaller exchanges are less likely to have the infrastructure and capitalization that make larger exchanges more stable, larger exchanges are more likely to be appealing targets for hackers and malware and may be more likely to be targets of regulatory enforcement action.

Further, cryptocurrency exchanges may be subject to technological issues (i.e. viruses, bugs, glitches, etc.) which could cause operational interruptions or even collapse. The interruption caused by such technological issues may adversely affect GDH LP's investment and its ability to execute trades.

Negative perception, a lack of stability in these exchange markets and the temporary or permanent closure of such exchanges due to fraud, technological issues, business failure, hackers or malware, or government-mandated regulation may reduce confidence in the digital asset marketplace in general and result in greater volatility in the price of digital assets. These potential consequences could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP and, therefore, the Ordinary Shares.

Short sales of digital assets may be especially risky.

GDH LP may make short sales of digital assets. In such a short sale, GDH LP would sell digital assets that it does not own, typically borrowed from a third party. Borrowing and lending markets for digital assets are currently limited and are unlikely to become as developed and stable as those for securities or other established assets in the near term, if ever, which exposes GDH LP to risks.

Because GDH LP would remain liable to return any digital assets that it borrowed, GDH LP would be required to purchase an equivalent amount of digital assets prior to the date on which delivery to the third party is required. GDH LP will incur a loss as a result of a short sale if the price of the digital assets increases between the date/time of the short sale and the date/time on which GDH LP repurchases the short digital asset position. The amount of any loss

will be increased by the amount of interest that GDH LP may be required to pay in connection with a short sale for the time period that the assets were borrowed. Short selling exposes GDH LP to unlimited risk with respect to the borrowed digital assets because of the lack of an upper limit on the prices to which those digital assets can rise. Purchasing digital assets to close out a short position can itself cause the price of the digital assets to rise further, thereby exacerbating any losses. Under adverse market conditions, GDH LP may have difficulty purchasing digital assets to meet its short sale delivery obligations and may have to sell other digital assets to raise the necessary capital at a time when it would be unfavorable to do so. If a request for return of borrowed assets occurs at a time when other short sellers are receiving similar requests, a “short squeeze” can occur, and GDH LP may be compelled to replace borrowed digital assets previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the assets short. In addition, GDH LP may have difficulty purchasing assets to meet its delivery obligations if the assets sold short by GDH LP have a limited daily trading volume or limited market capitalization. Short sales by GDH LP and “short” derivative positions are forms of investment leverage, and the amount of GDH LP’s potential loss is theoretically unlimited.

Lending of digital assets may be especially risky.

GDH LP may lend digital assets to third parties, including affiliates. On termination of the loan, the borrower is required to return the digital assets to GDH LP; any gains or loss in the market price during the loan would inure to GDH LP. In the event of the bankruptcy of the borrower, GDH LP could experience delays in recovering its digital assets. In addition, to the extent that the value of the digital assets increases during the term of the loan, the value of the digital assets may exceed the value of collateral provided to GDH LP, exposing GDH LP to credit risks with respect to the borrower and potentially exposing GDH LP to a loss of the difference between the value of the digital assets and the value of the collateral. If a borrower defaults under its obligations with respect to a loan of digital assets, including by failing to deliver additional collateral when required or by failing to return the digital assets upon the termination of the loan, GDH LP may expend significant resources and incur significant expenses in connection with efforts to enforce the loan agreement, which may ultimately be unsuccessful. In addition, there is significant operational infrastructure required to scale the borrowing and lending of digital assets. The failure to appropriately implement the infrastructure related to the lending business could lead to operational risk and have a material adverse effect on GDH LP.

Blockchain networks, digital assets and the exchanges on which these assets are traded are dependent on internet infrastructure and susceptible to system failures, security risks and rapid technological change.

The success of cryptocurrency-based blockchain and other digital asset platforms will depend on the continued development of stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. Digital assets have experienced, and are expected to continue to experience, significant growth in the number of users, and amount of content. There is no assurance that the relevant digital asset infrastructure will continue to be able to support the demands placed on it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. There is also no assurance that the infrastructure or complementary products or services necessary to make digital assets a viable product for their intended use will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs to adapt to changing technologies. The failure of these technologies or platforms or their development could materially and adversely affect GDH LP’s investment and trading strategies, the value of its assets and the value of any investment in GDH LP. Cryptocurrencies are created, issued, transmitted, and stored according to protocols run by computers in the cryptocurrency network. It is possible these protocols have undiscovered flaws or could be subject to network scale attacks which could result in losses to GDH LP. Advancements in quantum computing could break the cryptographic rules of protocols which support certain GDH LP assets.

If the digital asset award for solving blocks and transaction fees for recording transactions on the Bitcoin network are not sufficiently high to incentivize miners, miners may cease expanding processing power or demand high transaction fees, which could negatively impact the security and value of digital asset networks and could materially and adversely affect GDH LP’s investment and trading strategies, the value of its assets and the value of GDH LP (and therefore in Galaxy).

If the digital asset awards and the transaction fees for confirming transactions and solving blocks for recording transactions on digital asset networks are not sufficiently high to incentivize miners/validators, some miners may cease

expending processing power to confirm transactions and confirmations of transactions on the blockchain could be slowed. A reduction in the processing power expended by miners or reduction in staked economic value for Proof-of-Stake on a digital asset network could increase the likelihood of a malicious actor disrupting or obtaining control of the network.

Miners/validators have historically accepted relatively low transaction confirmation fees on most digital asset networks due to income skewed toward the block reward. If miners/validators demand higher transaction fees for recording transactions in the blockchain or a software upgrade automatically charges fees for all transactions on digital asset networks, the cost of using digital asset networks may increase and the marketplace may be reluctant to send digital asset networks as a means of payment. Alternatively, miners/validators could collude in an anti-competitive manner to reject low transaction fees on digital asset networks and force users to pay higher fees, thus reducing the attractiveness of digital asset networks. Higher transaction confirmation fees resulting through collusion or otherwise may adversely affect the attractiveness of digital asset networks, the value of digital assets and could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of GDH LP (and therefore in Galaxy).

Malicious actors could manipulate the blockchain networks and smart contract technology upon which digital assets rely and increase the vulnerability of the blockchain networks.

If a malicious actor, including a state-sponsored actor, is able to hack or otherwise exert unilateral control over a particular blockchain network, the digital assets on such a network, or smart contract, that actor could attempt to divert assets from that blockchain or otherwise prevent the confirmation of transactions recorded in that digital asset on that blockchain. Such an event could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy). Digital assets have been the subject of attempted manipulation by hackers to use them for malicious purposes. For example, misuses could occur if a malicious actor obtains a majority of the processing power controlling the cryptocurrency validating activities and altering the blockchain on which cryptocurrency transactions rely. Moreover, if the award for solving transaction blocks for a particular digital asset declines, and transaction fees are not sufficiently high, the incentive to continue validating blockchain transactions would decrease and could lead to a stoppage of validation activities. The collective processing power of that blockchain network would be reduced, which would adversely affect the confirmation process for transactions by decreasing the speed of the adaptation and adjustment in the difficulty for transaction block solutions. Such slower adjustments would make the blockchain network more vulnerable to malicious actors' obtaining control of the blockchain network processing power.

The network contributors for certain digital assets could propose amendments to the network protocols and software for these digital assets that, if accepted and authorized by the network for these digital assets, could adversely affect an investment in GDH LP or Galaxy

The networks for certain digital assets are based on a protocol governing the peer-to-peer interactions between computers connected to each other within that network. The development team for a network (if any) might propose and implement amendments to a network's source code through software upgrades altering the original protocol, including fundamental ideas such as the irreversibility of transactions and limitations on the validation of blockchain software distributed ledgers. Such changes to original protocols and software could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy).

Intellectual property rights claims may adversely affect the operation of portfolio companies and digital asset networks.

Third parties may assert intellectual property claims relating to portfolio companies or digital asset networks and their source code. Regardless of the merit of any claim, any threatened action that reduces confidence in portfolio companies or digital asset networks could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy). Additionally, a meritorious intellectual property claim could lead to a loss of value in the impacted portfolio company or prevent GDH LP or other end users from accessing a specific blockchain network or holding or transferring their digital assets, which could force the liquidation of certain digital assets in which GDH LP has an interest or cause the value of such digital assets to decline significantly. As a result, an intellectual property claim against a portfolio company or large

participants on certain blockchain networks could materially and adversely affect GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy).

Banks or other third-party services providers may decline to provide services to companies engaged in digital asset-related businesses, including GDH LP.

A number of companies that provide digital asset-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to digital asset-related companies, including GDH LP, for a number of reasons, such as perceived compliance risks or costs. GDH LP's inability to procure or keep banking services would have a material and adverse effect on GDH LP. Similarly, continued general banking difficulties may decrease the utility or value of digital assets or harm public perception of those assets. In addition to banks, other third-party service providers including accountants, lawyers and insurance providers may also decline to provide services to companies engaged in digital asset-related businesses because of the perceived risk profile associated with such businesses or the lack of regulatory certainty. The failure of digital asset-related businesses to be banked or obtain other services could materially and adversely affect GDH LP's businesses, investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy).

Other Risks Related to Trading, Investments and Assets

Investments in ICOs have declined and have been, and continue to be, subject to regulatory challenges.

While GDH LP's business is not focused on servicing ICOs, nonetheless GDH LP continues to hold ICOs as investments. ICOs generally have been, and continue to be, subject to regulatory challenges. U.S. regulators, including the SEC, have repeatedly and publicly voiced significant concerns about ICOs, suggesting that many ICOs have been fraudulent and that many ICOs in the United States may have been conducted in violation of the Securities Act of 1933 (the "**U.S. Securities Act**") and U.S. state securities laws. There have been a number of high-profile enforcement actions by the SEC against individuals, companies and exchanges involved in ICOs. The Chairman of the SEC has also suggested that structuring or advising on ICOs may generally require broker-dealer registration under the Securities Exchange Act of 1934 (the "**1934 Act**"), which would also subject the party doing the structuring or advising to various theories of liability (for example, underwriter liability) under various securities laws. These actions have had a material and adverse effect on the size and robustness of the markets for ICOs and digital tokens generally. ICOs have also been outlawed in some countries and could be outlawed in other jurisdictions in the future. China and South Korea are prominent examples of countries that have effectively banned ICOs. If other jurisdictions adopt bans or impose other significant restrictions, this may also have a material and adverse effect on the size and robustness of the markets for ICOs and digital tokens generally, which could impact certain of GDH LP's investments.

GDH LP may fail to develop and execute successful investment strategies.

The success of GDH LP's investment and trading activities will depend on the ability of the investment team to identify overvalued and undervalued investment opportunities and to exploit price discrepancies. This process involves a high degree of uncertainty. No assurance can be given that GDH LP will be able to identify suitable or profitable investment opportunities in which to deploy its capital. The success of the trading activities also depends on GDH LP's ability to remain competitive with other over-the-counter traders and liquidity providers. Competition in trading is based on price, offerings, level of service, relationships and market intelligence. The success of investment activities depends on GDH LP's ability to source deals and obtain favorable terms. Competition in investment activities is based on relationships, the ability to offer strategic advice to portfolio companies and reputation. The barrier to entry in each of these businesses is very low and competitors can easily and will likely provide similar services in the near future. The success of GDH LP's investment and trading business could suffer if it is not able to remain competitive.

GDH LP is exposed to a concentration of assets in a particular asset class, which could increase volatility, investment and market risk.

GDH LP trades, invests and hold primarily digital assets and investments in the blockchain space and conducts related businesses. GDH LP may accumulate significant positions in, or otherwise have significant exposure to, a single

digital asset or asset type. If GDH LP chooses to invest in concentrated positions, it could increase the volatility of investment results over time and exacerbate the risk that a loss in any position would have a material and adverse effect on GDH LP's investment and trading strategies, the value of its assets and the value of any investment in GDH LP (and therefore in Galaxy).

GDH LP is exposed to significant market risk based on its positions in digital assets, securities, commodities and other assets. The prices or values of digital and non-digital assets in which GDH LP may invest or trade can be, and likely will be, highly volatile. Sustained market declines and periods of significant market volatility may limit the ability of GDH LP to produce positive investment and trading results, and there can be no assurance that GDH LP's strategies will be successful in the markets and assets in which it invests or trades.

There may not be an active and liquid trading market for some of GDH LP's digital assets.

Some digital assets may be more difficult to value than other investments because such assets may not have a liquid or transparent trading market. GDH LP may not be able to sell a digital asset promptly or at a reasonable time or price. Although there may be an institutional market for certain digital assets, it is not possible to predict exactly how the market for such assets will develop or whether it will continue to exist. A digital asset that was liquid at the time of purchase may subsequently become illiquid, and its value may decline as a result. In addition, transaction costs are generally higher for digital assets.

GDH LP's investments in other investment vehicles may be subject to substantial risk.

GDH LP may make direct or indirect investments in pooled investment vehicles, which may expose GDH LP to all of the risks of those vehicles' investments. The values of pooled investment vehicles are subject to change as the values of their respective assets fluctuate. To the extent that GDH LP invests in managed pooled investment vehicles, the performance of GDH LP's investments in such vehicles will be dependent on the investment and research abilities of persons other than GDH LP. The securities offered by such vehicles typically are not registered under applicable securities laws because they are offered in transactions that are exempt from registration.

GDH LP's investments in options may be subject to substantial risk.

GDH LP may invest in options on digital or non-digital assets. Purchasing and writing put and call options are highly specialized activities that entail greater-than-ordinary investment risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying asset. An uncovered call writer's loss is theoretically unlimited. The ability to trade in or exercise options may be restricted in the event that trading in the underlying asset becomes restricted. Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size and strike price, the terms of over-the-counter options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows greater flexibility to tailor an option, over-the-counter options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded. As of this writing, the availability of exchange-traded and over-the-counter options on digital assets is extremely limited, so terms may be unfavorable in comparison to those available for more firmly established types of options.

GDH LP's investments in derivatives may be subject to substantial risk.

Derivatives are financial instruments whose values are based on the value of one or more reference assets or indicators, such as a security, currency, interest rate or index. GDH LP's use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Moreover, although the value of a derivative is based on an underlying asset or indicator, a derivative typically does not carry the same rights as would be the case if GDH LP invested directly in the underlying asset.

Derivatives are subject to a number of risks, such as potential changes in value in response to market developments, and the risk that a derivative transaction may not have the effect that GDH LP anticipated. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not achieve the desired correlation with the underlying asset or indicator. Derivative transactions may be highly volatile, and GDH LP could lose more than the amount it invests. Moreover, derivative transactions permit GDH LP to create investment leverage, which may exacerbate any losses on these positions. A liquid secondary market may not always exist for

GDH LP's derivative positions at any time, and GDH LP may not be able to initiate or liquidate a derivative position at an advantageous time or price, which may result in significant losses.

In addition, derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with direct investments. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. In particular, the complexity of derivatives requires the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative adds to GDH LP's portfolio.

GDH LP's investments in currencies may be subject to substantial risk.

GDH LP may trade currencies in the interbank market, a global network of commercial banking institutions that make markets in foreign currencies. There is no limitation on daily price moves of contracts traded through banks and dealers. Banks and dealers may require GDH LP to deposit margin with respect to such trading. Banks and dealers are not required to continue to make markets in currencies.

There have been periods during which certain banks have refused to quote prices for currency contracts or have quoted prices with an unusually wide bid-ask spread. Arrangements to trade currency contracts may be made with only one or a few banks, and liquidity problems might therefore be greater than if such arrangements were made with numerous banks. The imposition of credit controls by government authorities might limit such trading to less than that which GDH LP would otherwise undertake. In respect of such trading, GDH LP is subject to the risk of bank failure or the inability of, or refusal by, a bank to perform with respect to such contracts. Most, if not all, of these contracts are directly affected by changes in interest rates. The effects of governmental intervention may also be particularly significant at certain times in the interbank market.

GDH LP's investments in exchange-traded futures contracts expose it to the risks of a clearing broker.

The failure or bankruptcy of any of GDH LP's clearing brokers (or futures commission merchants) could result in a substantial loss of GDH LP's assets. Under the current regulations of the Commodity Futures Trading Commission, a clearing broker maintains customers' assets in a bulk segregated account. If a clearing broker fails to do so or is unable to satisfy a substantial deficit in a customer account, its other customers may be subject to risk of loss of their funds in the event of that clearing broker's bankruptcy. In such an event, the clearing broker's customers, such as GDH LP, are entitled to recover, even in respect of property specifically traceable to them, only a proportional share of all property available for distribution to all of that clearing broker's customers. When GDH LP trades bitcoin futures, it is exposed to the risk of its clearing broker.

GDH LP's investments and trading transactions may be subject to credit risk.

Credit risk is the risk that an issuer of a security or a counterparty will be unable or unwilling to satisfy payment or delivery obligations when due and the related risk that the value of an investment or trade may decline because of concerns about the issuer's or the counterparty's ability to make such payments. In addition to the risk of an issuer of a security in which GDH LP invests failing or declining to perform on an obligation under the security, GDH LP is exposed to the risk that third parties, including trading counterparties, clearing agents, exchanges, clearinghouses, custodians, administrators and other financial intermediaries that may owe GDH LP money, securities or other assets will not perform their obligations. Any of these parties might default on their obligations to GDH LP because of bankruptcy, lack of liquidity, operational failure or other reasons, in which event GDH LP may lose all or substantially all of the value of any such investment or trading transaction. When GDH LP trades on exchanges that specialize in digital asset futures and derivatives, it is exposed to the credit risk of that exchange.

GDH LP's investments in restricted securities may be subject to substantial risk.

GDH LP may invest in restricted securities, including private investment funds and venture capital investments. These may be less liquid and more difficult to value than other investments because such securities may not be readily marketable. GDH LP may not be able to sell a restricted security promptly or at a reasonable time or price. Although there may be a substantial institutional market for restricted securities, it is not possible to predict exactly how the market for such securities will develop or whether it will continue to exist. A restricted security that was liquid at the time of purchase may subsequently become illiquid, and its value may decline as a result. In addition, transaction costs

are generally higher for restricted securities than for more liquid securities. Furthermore, GDH LP may have to bear the expense of registering restricted securities for resale and the many associated risks of substantial delays in effecting such a registration.

GDH LP is not obligated to hedge its exposures, and, if it does, hedging transactions may be ineffective or reduce GDH LP's overall performance.

GDH LP is not obligated to, and often times may not, hedge its exposures. However, from time to time, it may use a variety of financial instruments and derivatives, such as options, swaps, and forward contracts, for risk management purposes, including to: protect against possible changes in the market value of GDH LP's investment or trading assets resulting from fluctuations in the securities markets and changes in interest rates; protect GDH LP's unrealized gains in the value of its investments or trading assets; facilitate the sale of any such assets; enhance or preserve returns, spreads or gains on any trade or investment; hedge the interest-rate or currency-exchange risk on any of GDH LP's liabilities or assets; protect against any increase in the price of any assets that GDH LP anticipates purchasing at a later date; or to any other end that GDH LP deems appropriate. The success of any hedging activities by GDH LP will depend, in part, on its ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the assets being hedged. Since the characteristics of many assets change as markets change or time passes, the success of GDH LP's hedging strategy will also be subject to its ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. In addition, while GDH LP may enter into hedging transactions to seek to reduce risk, such transactions may actually increase risk or result in a poorer overall performance for GDH LP than if it had not engaged in such hedging transactions.

GDH LP may make, or otherwise be subject to, trade errors.

Errors may occur with respect to trades executed on behalf of GDH LP. Trade errors can result from a variety of situations, including, for example, when the wrong investment is purchased or sold or when the wrong quantity is purchased or sold. Trade errors frequently result in losses, which could be material. To the extent that an error is caused by a third party, GDH LP may seek to recover any losses associated with the error, although there may be contractual limitations on any third party's liability with respect to such error.

GDH LP's trading orders may not be timely executed.

GDH LP's investment and trading strategies depend on the ability to establish and maintain an overall market position in a combination of financial instruments. GDH LP's trading orders may not be executed in a timely and efficient manner because of various circumstances, including, for example, trading volume surges or systems failures attributable to GDH LP or its counterparties, brokers, dealers, agents or other service providers. In such an event, GDH LP might only be able to acquire or dispose of some, but not all, of the components of its positions, or if the overall positions were to need adjustments, GDH LP might not be able to make such adjustments. As a result, GDH LP would not be able to achieve its desired market position, which may result in a loss. In addition, GDH LP can be expected to rely heavily on electronic execution systems (and may rely on new systems and technology in the future), which may be subject to certain systemic limitations or mistakes, causing the interruption of trading orders made by GDH LP.

Unexpected market disruptions may cause major losses for GDH LP.

GDH LP may incur major losses in the event of disrupted markets and other extraordinary events in which market behavior diverges significantly from historically recognized patterns. The risk of loss in such events may be compounded by the fact that in disrupted markets, many positions become illiquid, making it difficult or impossible to close out positions against which markets are moving. Market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for GDH LP. Any such disruptions and events may have a material and adverse effect on GDH LP's investment and trading strategies and on any investment in GDH LP (and therefore in Galaxy).

GDH LP is exposed to losses due to lack of perfect information.

As a trader in digital assets, GDH LP will trade in a variety of assets with a number of different counterparties on both an anonymous and disclosed basis. GDH LP may at times trade with others who have information that is more accurate

or complete than GDH LP's, and as a result GDH LP may accumulate unfavorable positions at unfavorable prices preceding large price movements in a given instrument. If the frequency or magnitude of these events increases, GDH LP's losses would likely increase correspondingly, which could have a material and adverse effect on the effectiveness of GDH LP's investment or trading strategies and on any investment in GDH LP (and therefore in the Company).

Valuation involves significant risks and uncertainties, including the fact that methodologies involve subjective judgments.

Digital assets, including but not limited to, bitcoin, can fluctuate dramatically in value and can lose a material portion of their value in a short period of time. There can be no assurance as to the value of GDH LP's portfolio as of any date in the future. Any future valuation could diverge from previous estimates as a result of market fluctuations or additional third-party valuations of underlying assets using different and potentially inconsistent methods, financial reporting requirements under IFRS or other factors.

For purposes of IFRS-compliant financial reporting, GDH LP's assets and liabilities are valued in accordance with IFRS. Accordingly, GDH LP is required to follow a specific framework for measuring the fair value of its assets and liabilities and, in its audited financial statements, to provide certain disclosures regarding the use of fair value measurements.

The fair value measurement accounting guidance establishes a hierarchal disclosure framework that ranks the observability of market inputs used in measuring financing instruments at fair value. The observability of inputs depends on a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily quoted prices, or for which fair value can be measured from quoted prices in active markets, generally will have a high degree of market price observability and less judgment applied in determining fair value.

GDH LP holds certain securities, such as privately placed equity, debt, warrants or options, that will not have readily assessable market values. In such instances, GDH LP will determine the fair value of such securities based on various factors. In connection with securities for which no external pricing information is available, GDH LP may rely on internal pricing models or third-party valuation agents. Such valuations may vary from similar valuations performed by other independent third parties for similar types of securities. The valuation of illiquid securities is inherently subjective and subject to increased risk that the information used to value the security or to create the price models may be inaccurate or subject to other error. Inaccurate valuations may, among other things, hinder GDH LP from effectively managing its investment portfolios and risks.

The value of GDH LP's portfolio may also be affected by changes in accounting standards, policies or practices. From time to time, GDH LP will be required to adopt new or revised accounting standards or guidance. It is possible that future accounting standards that GDH LP is required to adopt could materially change the valuation of GDH LP's assets and liabilities.

Because of a wide variety of market factors and the nature of investments held by GDH LP, there is no guarantee that the value determined by GDH LP or a third-party valuation agent will represent the value that will be realized by GDH LP on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. Moreover, the valuations to be performed by GDH LP or a third-party valuation agent are inherently different from the valuation of GDH LP's securities that would be performed if GDH LP were forced to liquidate all or a significant portion of its securities, which liquidation valuation could be materially lower.

Changes in, or the development of guidance relating to, accounting standards governing the preparation of Galaxy or GDH LP's financial statements and future events could have a material impact on our reported financial condition, results of operations, cash flows and other financial data.

From time to time, regulators change the financial accounting and reporting standards governing the preparation of GDH LP's financial statements or the interpretation of those standards. These changes are difficult to predict and can materially impact how GDH LP records and reports its financial condition, results of operations, cash flows and other financial data. In some cases, GDH LP may be required to apply a new or revised standard retroactively or to apply an existing standard differently, also retroactively, in each case potentially resulting in the restatement of prior period

financial statements and related disclosures. Additionally, GDH LP's accounting policies and methods are fundamental to how it records and reports its financial condition and results of operations. The preparation of financial statements in conformity with IFRS requires management to make estimates based upon assumptions about future economic and market conditions which affect reported amounts and related disclosures in our financial statements. If subsequent events occur that are materially different than the assumptions and estimates GDH LP used, its reported financial condition, results of operation and cash flows may be materially negatively impacted.

In addition, the accounting for, and audit standards relating to, digital assets remain subject to further guidance. To the extent that such guidance imposes obligations on audit firms that they are not able to meet with respect to the review of digital assets, GDH LP and Galaxy could have difficulty in obtaining an audit opinion, filing audited financial statements in a timely manner or obtaining an unqualified opinion.

Risks Related to Taxation

The U.S. federal income tax treatment of digital assets is unclear.

Due to the new and evolving nature of digital currencies and the absence of comprehensive guidance with respect to digital currencies, many significant aspects of the U.S. federal income tax treatment of digital currencies are uncertain. The operations and dealings of Galaxy, through GDH LP, in or in connection with digital assets could be subject to adverse tax consequences in one or more jurisdictions, including as a result of development of the legal regimes surrounding digital assets, and Galaxy's operating results could be adversely affected thereby. Similarly, the purchase, holding or disposition of Ordinary Shares could also be subject to adverse treatment or adverse legal developments as a result of Galaxy's investment and dealings in digital assets through GDH LP.

With respect to GDH LP, many significant aspects of the U.S. federal income tax treatment of digital assets (including with respect to the amount, timing and character of income recognition) are uncertain. In 2014, the IRS released a notice (the "**Notice**") discussing certain aspects of digital assets for U.S. federal income tax purposes and, in particular, stating that such digital assets (1) are "property," (2) are not "currency" for purposes of the rules relating to foreign currency gain or loss and (3) may be held as a capital asset. In 2019, the IRS released a revenue ruling and a set of "Frequently Asked Questions" (the "**Ruling & FAQs**") that provide some additional guidance, including guidance to the effect that, under certain circumstances, hard forks of digital currencies are taxable events giving rise to ordinary income and guidance with respect to the determination of the tax basis of digital currency. The Notice and the Ruling & FAQs, however, do not address other significant aspects of the U.S. federal income tax treatment of digital assets. GDH GP does not intend to request a ruling from the Internal Revenue Service (the "**IRS**") on these issues. Rather, GDH GP will cause GDH LP to take positions that it believes to be reasonable. There can be no assurance that the IRS will agree with the positions GDH LP takes, and it is possible that the IRS will successfully challenge GDH LP's positions.

There can be no assurance that the IRS will not alter its position with respect to digital currencies in the future or that a court would uphold the treatment set forth in the Notice and the Ruling & FAQs. It is also unclear what additional guidance on the treatment of digital currencies for U.S. federal income tax purposes may be issued in the future. Any such alteration of the current IRS positions or additional guidance could result in adverse tax consequences for investors in Galaxy and could have an adverse effect on the value of bitcoin. Because of the evolving nature of digital currencies, it is not possible to predict potential future developments that may arise with respect to digital currencies. Such developments may increase the uncertainty with respect to the treatment of digital currencies for U.S. federal income tax purposes. For example, the Notice addresses only digital currency that is "convertible virtual currency," and it is conceivable that, as a result of a fork, airdrop or similar occurrence, GDH LP will hold certain types of digital currency that are not within the scope of the Notice.

The state, local and non-U.S. tax treatment of digital assets is unclear.

The taxing authorities of certain states (i) have announced that they will follow the Notice with respect to the treatment of digital currencies for state income tax purposes and/or (ii) have issued guidance exempting the purchase and/or sale of digital currencies for fiat currency from state sales tax. It is unclear what further guidance on the treatment of digital currencies for state tax purposes may be issued in the future. Any future guidance on the treatment of digital currencies for state or local tax purposes could result in adverse tax consequences for investors in Galaxy.

The treatment of digital currencies for tax purposes by non-U.S. jurisdictions may differ from the treatment of digital currencies for U.S. federal, state or local tax purposes. It is possible, for example, that a non-U.S. jurisdiction would impose sales tax or value-added tax on purchases and sales of digital currencies for fiat currency. For instance, if a foreign jurisdiction with a significant share of the market of bitcoin users imposes onerous tax burdens on digital currency users, or imposes sales or value-added tax on purchases and sales of digital currency for fiat currency, such actions could result in decreased demand for digital currencies in such jurisdiction, which could adversely affect the price of digital currencies.

Shareholders and prospective purchasers of Ordinary Shares are urged to consult their own tax advisors regarding the treatment of digital assets and the consequences of investing in Galaxy, which, indirectly through GDH LP, will invest in digital assets.

The current structure of Galaxy and GDH LP is based in part on current U.S. tax law, which is subject to change, possibly on a retroactive basis.

In the event of changes to U.S. tax law, GDH LP could seek to restructure its organization and operations, but there can be no assurance that such a restructuring would be successful, efficient or optimal from a business or operations perspective. Changes in tax laws, regulations or interpretations may have an adverse effect on GDH LP's businesses, financial condition, results of operations and investments.

Risks Related to the Offering

Discretion over use of proceeds.

The Company intends to allocate the net proceeds it will receive from an offering as described under "Use of Proceeds" in this prospectus and the applicable prospectus supplement; however, the Company will have discretion in the actual application of the net proceeds. The Company may elect to allocate the net proceeds differently from that described in "Use of Proceeds" in this prospectus and the applicable prospectus supplement if the Company believes it would be in the Company's best interests to do so. The Company's investors may not agree with the manner in which the Company chooses to allocate and spend the net proceeds from an offering. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company.

Dilution from exercise of outstanding Options or settlement of share units.

The Company has outstanding Options and B Units representing a right to receive Ordinary Shares upon vesting and the exercise of the Options or B Units. In addition, the Company has outstanding restricted share units, performance share units and deferred share units, representing a right to receive Ordinary Shares on vesting and satisfaction of the settlement conditions. The exercise of Options or the settlement of the restricted share units, performance share units or deferred share units, and the subsequent resale of such Ordinary Shares in the public market, could adversely affect the prevailing market price of the Ordinary Shares and the Company's ability to raise equity capital in the future at a time and price which it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional Ordinary Shares or may grant share purchase warrants and the Company is expected to grant additional Options, restricted share units, performance share units and deferred share units. Any Ordinary Share issuances from the Company's treasury will result in immediate dilution to existing shareholders' percentage interest in the Company.

Liquidity of Ordinary Shares.

Shareholders of the Company may be unable to sell significant quantities of Ordinary Shares into the public trading markets without a significant reduction in the price of their Ordinary Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Ordinary Shares on the trading market, and that the Company will continue to meet the listing requirements of the TSX or achieve listing on any other exchange.

Absence of a public market for certain of the securities.

There is no public market for the debt securities, warrants, subscription receipts, securities purchase contracts or units and, unless otherwise specified in the applicable prospectus supplement, the Company does not intend to apply for listing of the debt securities, warrants, subscription receipts, securities purchase contracts or units on any securities exchanges. If the debt securities, warrants, subscription receipts, securities purchase contracts or units are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and our financial condition. There can be no assurance as to the liquidity of the trading market for the debt securities, warrants, subscription receipts, share purchase contracts or units, or that a trading market for these securities will develop at all.

Unsecured debt securities.

The Company carries on its business through corporate subsidiaries, and the majority of its assets are held in corporate subsidiaries. The Company's results of operations and ability to service indebtedness, including the debt securities, are dependent upon the results of operations of these subsidiaries and the payment of funds by these subsidiaries to the Company in the form of loans, dividends or otherwise. Unless otherwise indicated in the applicable prospectus supplement, the Company's subsidiaries will not have an obligation to pay amounts due pursuant to any debt securities or to make any funds available for payment on debt securities, whether by dividends, interest, loans, advances or other payments. In addition, the payment of dividends and the making of loans, advances and other payments to the Company by its subsidiaries may be subject to statutory or contractual restrictions. Unless otherwise indicated in the applicable prospectus supplement, the indenture governing the Company's debt securities is not expected to limit the Company's ability or the ability of its subsidiaries to incur indebtedness. Unless otherwise indicated in the applicable prospectus supplement, such indebtedness of the Company's subsidiaries would be structurally senior to the debt securities. As such, in the event of the liquidation of any subsidiary, the assets of the subsidiary would be used first to repay the obligations of the subsidiary, including indebtedness and trade payables, prior to being used by the Company to pay its indebtedness, including any debt securities. See "Description of Debt Securities".

Effect of changes in interest rates on debt securities.

Prevailing interest rates will affect the market price or value of any debt securities. The market price or value of any debt securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Effect of fluctuations in foreign currency markets on debt securities.

Debt securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity restrictions in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable prospectus supplement.

The Company may be unable to obtain additional financing on acceptable terms or at all.

The continued development of the Company may require additional financing. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of the Company's business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. In particular, the financing options available to the Company have been significantly reduced as a result of the COVID-19 pandemic. Potential counterparties have been reluctant to enter into or engage in negotiations related to possible financing transactions during the restrictions and market disruption resulting from COVID-19. Prolonged restrictions relating to the COVID19 pandemic or a further wave of infections could significantly limit the Company's access to capital. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. The Company may require additional financing to fund its operations until positive cash flow is achieved.

USE OF PROCEEDS

Unless we otherwise indicate in a prospectus supplement relating to a particular offering, we currently intend to use the net proceeds from the sale of our securities for general corporate and working capital requirements, including to

fund ongoing operations and/or working capital requirements, to repay indebtedness outstanding from time to time, to complete future acquisitions or for other corporate purposes as set forth in the prospectus supplement relating to the offering of the securities.

More detailed information regarding the use of proceeds from the sale of securities, including any determinable milestones at the applicable time, will be described in a prospectus supplement. We may also, from time to time, issue securities otherwise than pursuant to a prospectus supplement to this prospectus. All expenses relating to an offering of securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds from the sale of such securities, unless otherwise stated in the applicable prospectus supplement.

The Company does not generate revenue other than through the operations of GDH LP, the operating entity in which the Company has an investment, its sole activity. During the last financial year, GDH LP had negative operating cash flow because its revenues did not exceed its operating expenses. In addition, GDH LP expects cash flow from operations to be negative until the level of activity in its respective relevant business areas increases sufficiently to offset its operating expenditures. GDH LP's cash flow from operations may be affected in the future by the investment it is making to continue to develop its products and services. In the event that GDH LP continues to have negative operating cash flow, among other things (i) the Company and GDH LP may reduce expenses, (ii) GDH LP may sell digital assets to generate sufficient cash to meet its and the Company's obligations as they come due, and/or (iii) GDH LP may sell all or a portion of an investment if an exit price is advantageous. If necessary, the proceeds from the sale of securities may be used to offset this anticipated negative operating cash flow. See "Risk Factors – Negative Operating Cash Flow".

CONSOLIDATED CAPITALIZATION

Since August 14, 2020, the date of our interim financial statements for the most recently completed financial period, there have been no material changes in our consolidated share or debt capital.

PRIOR SALES

Information in respect of our Ordinary Shares that we issued within the previous twelve month period, including Ordinary Shares that we issued upon the exercise of Options and the conversion of B Units will be provided as required in a prospectus supplement with respect to the issuance of securities pursuant to such prospectus supplement.

TRADING PRICE AND VOLUME

The Ordinary Shares are listed and posted for trading on the TSX under the symbol "GLXY". Trading price and volume information for the Company's securities will be provided as required in each prospectus supplement to this prospectus.

EARNINGS COVERAGE

If we offer debt securities having a term to maturity in excess of one year under this prospectus and any applicable prospectus supplement, the applicable prospectus supplement will include earnings coverage ratios giving effect to the issuance of such securities.

DESCRIPTION OF SHARE CAPITAL

Overview

As of the date of this prospectus, the authorized capital of the Company consisted of 2,000,000,000 Ordinary Shares of C\$0.001 par value each. As of the date of this prospectus, the Company had 89,301,681 Ordinary Shares issued and outstanding and 229,997,598 B Units of GDH LP issued and outstanding, which are exchangeable for Ordinary Shares on a one-for-one basis, pursuant GDH LPA.

As of the date of this prospectus, the Company has granted an aggregate of 25,654,800 Options that have not yet been exercised to certain officers and employees of the Company pursuant to the Option Plan. As of the date of this prospectus, the number of shares remaining available for issuance under the Option Plan is 19,910,939.

Ordinary Shares

Authorized Capital

The Company's authorized share capital is C\$2,000,000 divided into 2,000,000,000 Ordinary Shares, each with a par value of C\$0.001.

Subject to certain limitations on the redemption and purchase of the Ordinary Shares, and relevant stock exchange approvals, the directors have general and unconditional authority to allot (with or without confirming rights of renunciation), grant Options over or otherwise deal with any unissued Ordinary Shares to such persons, at such times and on such terms and conditions as they may decide.

Voting

Each Ordinary Share entitles the holder thereof to one vote at any meeting of Shareholders, subject to the Certification Process Adjustment, described below.

Certification Process Adjustment

The Articles of Association provide for a "certification process adjustment" (the "**Certification Process Adjustment**") whereby, in connection with any resolution of the Shareholders ("**Shareholder Resolution**") passed, each Shareholder shall be provided a certification as to its status, and the status of any person for whom the Shareholder holds beneficially, as a U.S. resident. In connection with the Certification Process Adjustment, in respect of any Shareholder Resolution in general meeting or in writing, each Shareholder shall be required to certify that, at the time of the general meeting (or any adjournment thereof) at which the resolution is tabled, or in the case of the resolution being proposed as a written resolution, at the time of signifying its agreement to the proposed written resolution: (a) it is not a U.S. resident; and (b) to the extent it holds Ordinary Shares for the account or benefit of any other person, such person is not a U.S. resident (each Shareholder not making such certification, a "**Non-Certifying Shareholder**"). This Certification Process Adjustment is intended to preserve the Company's status as a "foreign private issuer" within the meaning of Rule 405 under the U.S. Securities Act and Rule 3b-4 under the 1934 Act by ensuring that the aggregate total number of votes that Non-Certifying Shareholders are entitled to cast may never exceed 49% of the total number of votes that all Shareholders are entitled to cast (pursuant to the adjustment that is described in the following paragraphs).

For the purposes of calculating the number of votes which Non-Certifying Shareholders are entitled to cast on a Shareholder Resolution, if and to the extent that, in the absence of the Certification Process Adjustment:

$$"A" > (49 \div 100) \times "B",$$

then "A" shall be reduced so that "D" is the whole number nearest to but not exceeding:

$$"C" \times (49 \div 51).$$

Where the aggregate number of votes actually cast by Non-Certifying Shareholders (whether on a poll or on a written resolution) "for" and "against" the relevant Shareholder Resolution when added to the number of votes withheld by Non-Certifying Shareholders in respect of such resolution, exceeds "D", then the number of: (a) votes cast "for"; (b) votes cast "against"; and (c) votes withheld in respect of, such resolution by Non-Certifying Shareholders, will each be reduced pro rata until the aggregate number of votes "for", votes "against" and votes withheld in respect of such resolution by Non-Certifying Shareholders, is the whole number nearest to but not exceeding "D". Where the aggregate number of votes actually cast (whether on a poll or on a written resolution) and votes withheld, in each case by Non-Certifying Shareholders, is equal to or less than "D", then each of such votes or votes withheld (as applicable) shall be counted and no reduction shall occur.

For the purposes of the foregoing:

“A” = the aggregate total of votes which all Non-Certifying Shareholders, whether or not actually voting, are entitled to cast, whether on a poll or on a written resolution, on the resolution prior to the operation of the Certification Process Adjustment;

“B” = “A” + “C”;

“C” = the aggregate total of votes which all holders of the Ordinary Shares who are not Non-Certifying Shareholders, whether or not actually voting, are entitled to cast, whether on a poll or on a written resolution, on the resolution; and

“D” = the aggregate total of votes all Non-Certifying Shareholders, whether or not actually voting, are entitled to cast, whether on a poll or on a written resolution, on the resolution, following the operation of the Certification Process Adjustment.

The directors may specify such other requirements or vary the requirements of the Certification Process Adjustment as they in their discretion consider necessary or appropriate to give effect to these restrictions.

Share Ownership Limitations

The Articles of Association provide the directors with the discretion to decline to register any person as a holder of a Share of the Company unless that person provides a declaration (and supporting evidence, if requested) showing that it is not a Disqualified Holder. “**Disqualified Holders**” include:

1. any investor that uses the assets of certain employee benefit plans subject to the ERISA or certain plans subject to the Code, other than one all of whose holdings of Ordinary Shares were purchased from the Company (or result from conversion or exercise of securities purchased from the Company) after complete and correct disclosure by that investor to the Company with respect to its status as such;
2. any initial subscriber or subsequent transferee that is a U.S. person that is not an “accredited investor” as defined in Rule 501(a) of Regulation D under the U.S. Securities Act and a “qualified purchaser” as defined in Section 2(a)(51) of the 1940 Act; and
3. any person that the directors determine to whom a sale or transfer of Ordinary Shares, or in relation to whom the holding of Ordinary Shares: (i) would or could be in breach of the laws or requirements of any jurisdiction or governmental authority or in circumstances (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances) appearing to the directors to be relevant; or (ii) might result in the Company incurring a liability to taxation or suffering a pecuniary, fiscal, legal, administrative or regulatory disadvantage, including the Company’s being required to register as an “investment company” under the 1940 Act, the Company’s no longer being a “foreign private issuer” for purposes of the 1934 Act, the assets of the Company being deemed to be plan assets of a U.S. Benefit Plan Investor, the Company’s becoming subject to regulation as a depository institution holding company subsidiary or otherwise subject to banking law or the Company’s otherwise not being in compliance with the 1940 Act, ERISA, the Code or any other provision of U.S. federal or state law or non-U.S. law.

Investment in the Company by the above-referenced types of benefit plan investors is prohibited so that the assets of the Company will not be deemed to constitute “plan assets” of the investor. Similarly, the additional restrictions are to avoid subjecting the Company to the regulatory restrictions under both U.S. and non-U.S. laws, including under applicable U.S. securities laws.

In light of these restrictions, the directors may at any time give notice in writing to the holder of an Ordinary Share of the Company requiring that holder within such reasonable period show whether or not a Disqualified Holder is interested in such Ordinary Share of the Company. If within 14 days (or any extended or shortened time considered

reasonable by the directors) the directors are not satisfied, the directors may declare that a Disqualified Holder is interested in such Ordinary Share of the Company.

With respect to any Ordinary Shares declared to be held directly or beneficially by any Disqualified Holder (such Ordinary Shares, “**Disqualifiable Shares**”), the directors shall serve written notice (a “**Transfer Notice**”) on a registered holder of Disqualifiable Shares and on any other person who is a Disqualified Holder in relation to those Disqualifiable Shares requiring the Disqualifiable Shares to be transferred or otherwise disposed of to a person that is not a Disqualified Holder within 14 days of the service of the Transfer Notice. If the Disqualified Holder fails to comply with the Transfer Notice, the directors may arrange for sale or disposal to be made.

Notwithstanding any of these requirements, the directors shall, so long as they act reasonably and in good faith, be under no liability to the Company or to any other person for failing to treat any Ordinary Share as a Disqualifiable Share or any person as a Disqualified Holder and neither shall the directors be liable to the Company or any other person if, having acted reasonably and in good faith, they determine erroneously that any Ordinary Share or other security of the Company is a Disqualifiable Share, or any person is a Disqualified Holder, or on the basis of such determination or any other determination or resolution of the directors, they perform or exercise (or purport to perform or exercise) their duties, powers, rights or discretions described above in relation to such Ordinary Share.

Dividends and Other Rights

The holders of Ordinary Shares are entitled to receive if, as and when declared by the Board, dividends in such amounts as shall be determined by the Board.

The Ordinary Shares do not carry any pre-emptive, subscription, redemption, retraction, surrender or conversion or exchange rights, nor do they contain any sinking or purchase fund provisions.

GDH B Units

B Units of GDH LP do not entitle the holder the right to vote at meetings of Shareholders, but are, subject to certain limitations, including vesting conditions, exchangeable for Ordinary Shares on a one-for-one basis subject to customary adjustments for stock splits, stock dividends and reclassifications and other similar transactions. As of the date of this prospectus, there are 229,997,598 B Units of GDH LP issued and outstanding.

Exchange Rights

B Units are, pursuant to their terms under the GDH LPA and subject to certain limitations, exchangeable for Ordinary Shares on a one-for-one basis subject to customary adjustments for stock splits, stock dividends and reclassifications and other similar transactions or, at the election of GDH LP, GDH LP may deliver an amount of cash in lieu of Ordinary Shares to an exchanging B Unit holder. Holders of B Units will be permitted to exchange their B Units in accordance with the terms of the GDH LPA subject to the limitations set forth in the exchange terms of the GDH LPA (“**Exchange Terms**”). To the extent GDH LP determines to exchange Ordinary Shares for surrendered B Units, the Company and/or an affiliate of the Company will receive a number of A-1 Units and A-2 Units equal to the number of Ordinary Shares that the Company issues, and the corresponding number of B Units that were surrendered will be cancelled.

Pre-Emptive Rights of B Units Holders

For so long as the B Unit holders own at least 10% of the total outstanding GDH LP Units, if either the Company or GDH LP offers any equity securities or securities convertible into equity (“**Participating Interests**”), the B Unit holders may purchase additional Participating Interests, but only to the extent necessary to maintain their respective proportional direct or indirect interests in GDH LP. Any such participation by B Unit holders will be on price and other terms that are no more favorable in any material respect than those applicable to other purchasers of Participating Interests, excluding commissions or other transaction expenses paid by the Company or GDH LP. These pre-emptive rights will be subject to certain customary carve-outs for circumstances relating to, among others, equity compensation plans, dividend or distribution reinvestment plans, and the acquisitions of businesses by the Company or GDH LP, as well as a carve-out for any exchange of B Units pursuant to the Exchange Terms.

Qualifications and Listing

Subject to the other provisions of the GDH LPA (including the Exchange Terms incorporated therein), if any Ordinary Shares to be issued and delivered pursuant to an exchange of B Units require registration or qualification with or approval of or the filing of any document, including any prospectus or similar document, or the taking of any proceeding with or the obtaining of any order, ruling or consent from any governmental authority in Canada under applicable laws or the fulfilment of any other Canadian federal or provincial legal requirement before such Ordinary Shares may be issued and delivered by or on behalf of the Company to the holder thereof (other than certain “control person” and other restrictions), the Company will take all actions and do all things necessary to cause these Ordinary Shares to comply with those requirements.

The Company also will agree that it will make such filings and take such other reasonable steps as may be necessary in order: that the Ordinary Shares issued in an exchange of B Units (other than any restricted Ordinary Shares) will be approved for listing and posted for trading on the TSX or any stock exchange or marketplace on which the Ordinary Shares then trade; and to preserve the listing on the TSX or any other relevant stock exchange or marketplace of all outstanding Ordinary Shares (other than restricted shares).

Tag/Drag Rights

The GDH LPA provides that if the holders of B Unit own at least 10% of the total outstanding GDH LP Units, and if Mr. Novogratz so requests, the Company will cause, in respect of GDH LP, a purchaser (other than the Company or an affiliate of the Company) of securities of GDH LP owned by Company (or any permitted assignee) to purchase a pro rata portion of the securities of GDH LP held by the holders of B Units, on the same terms and subject to the same conditions as are applicable to the purchase of securities of GDH LP by the purchaser. If the holders of B Units or any permitted assignee holds in aggregate less than 10% of the Ordinary Shares (on a fully exchanged basis), the Company will be entitled, in connection with the direct or indirect sale of all of its interest in GDH LP, to require the holders of B Units or any permitted assignee to sell its securities in GDH LP on the same conditions as are applicable to the Company’s direct or indirect sale of its interest in GDH LP, and upon the Company making such request and completing such sale, the holders of B Units or their permitted assignees will have no further interest in GDH LP.

Tax Receivable Agreement

Tax Receivable Agreement as contemplated by the Arrangement, that provides for the payment by the Company to those GDH LP Unitholders of a material percentage (for example, 85%) of the amount of cash savings, if any, in U.S. federal, state and local and foreign income tax or franchise tax that the Company actually realizes as a result of any increase in tax basis in GDH LP’s assets resulting from exchanges by those holders of B Units for Ordinary Shares in accordance with the terms of the B Units, as and when such tax benefits are realized.

The actual increase in tax basis, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of exchanges by the GDH LP Unitholders, the price of the Ordinary Shares at the time of the exchange, the extent to which such exchanges are taxable, the amount and timing of the taxable income that the Company generates in the future, the tax rate then applicable and the portion of the Company’s payments under the Tax Receivable Agreement that constitute imputed interest.

GDH A Units

The A Units are subdivided into A-1 Units, all of which are held by the Company, and A-2 Units, which are held indirectly by the Company, through the U.S. Blocker Subsidiary. The A-2 Units have no voting or governance rights under the GDH LPA. The number of A-1 Units and A-2 Units issued and outstanding, at any given time, will each be equal to the number of Ordinary Shares issued and outstanding. Any income of GDH LP that is effectively connected with a U.S. trade or business, as determined by GDH GP in its sole discretion, will be allocated in respect of the A-2 Units.

Governance Rights Granted by GDH LP to Certain Limited Partners

Generally, the GDH LPA will grant GDH GP the power to operate and manage GDH LP in accordance with the ELP Law.

The GDH GP Board are elected by the vote of the GDH LP Unitholders, provided that, (a) initially, for so long as the Company owns more than 10% but no more than 50% of the outstanding GDH LP Units, the Company will have the right to appoint one manager to the GDH GP Board; (b) if at any time the Company owns more than 40% but no more than 50% of the outstanding GDH LP Units, it shall have the right to appoint a second manager to the GDH GP Board; and (c) for as long as Mr. Novogratz (A) owns directly or indirectly an amount of B Units that is greater than 25% of the total outstanding GDH LP Units and (B) owns directly or indirectly a number of B Units that is greater than (x) the number of B Units owned by any other person and (y) the number of Ordinary Shares owned by any other person, Mr. Novogratz will have the right to appoint the minimum number of managers that is greater than 50% of the number of managers on the GDH GP Board.

Generally, when the Company issues Ordinary Shares, the Company will contribute the net proceeds of that issuance to GDH LP in exchange for one A-1 Unit and one A-2 Unit for each Ordinary Share so issued and the Company will be prohibited from investing the proceeds of its issuance in any other manner. However, the GDH LPA will include certain limitations with respect to these offerings. In the event that GDH LP determines to raise equity capital, it will raise such capital through the Company, unless the GDH GP Board determines that there is a bona fide business or strategic reason to raise equity capital through the issuance of equity by GDH LP directly and then it may only do so in an aggregate amount up to 70,000,000 B Units (the “**Pre-Approved Amount**”). Any issuance of GDH LP Units that exceeds the Pre-Approved Amount must be approved by the Board. Any increase to the Pre-Approved Amount will be subject to approval by the Board and the Shareholders of the Company. Such issuances will remain at all times subject to any approvals required under corporate or applicable stock exchange rules. In the event that the Company undertakes a financing for any reason other than at the request of GDH LP, GDH LP shall not be obligated to issue additional A Units to the Company, unless such financing has been approved by holders of a majority of GDH LP Units.

In addition, the Company will have the following consent rights (exercised either by vote of the Board or by vote of the Shareholders):

1. In addition to the requisite approval of GDH GP and the GDH LP Unitholders, (i) any issuance of B Units, in a transaction or series of related transactions, in an aggregate amount greater than 25% of the GDH LP Units outstanding as of immediately before the transaction or series of related transactions and (ii) the authorization of award units in excess of the amount most recently approved by the Shareholders will require approval by the Board and by ordinary Shareholder Resolution.. An ordinary Shareholder Resolution means a resolution passed by a simple majority of the Shareholders, being entitled to vote, in person or, where proxies are allowed, by proxy at a general meeting, and includes a unanimous written resolution.
2. In addition, any bona fide sale of all or substantially all of the businesses or assets of GDH LP will require approval by GDH GP, by the GDH LP Unitholders and by special Shareholder Resolution.
3. In addition to the requisite approval of GDH GP, any amendment to the GDH LPA that could reasonably be expected to be materially adverse to the Company will require approval by the Board and by special Shareholder Resolution. A special Shareholder Resolution means a resolution passed by a two-third majority of the Shareholders, being entitled to vote, in person or, where proxies are allowed, by proxy at a general meeting, and includes a unanimous written resolution.
4. In addition to the approval of GDH GP, (i) any change in the auditors, and (ii) any issuance of B Units for less than a value calculated in accordance with the rules of the stock exchange on which the Ordinary Shares are listed (less any permissible discounts), will require approval by the Board.

In addition, any material related party transactions involving GDH LP will require approval by the following parties (not including any constituents therein that are interested in relevant transaction): (i) the managers of GDH GP, (ii) the GDH LP Unitholders, (iii) the Board and (iv) the Shareholders. Such approvals are in addition to, and not replacement of, any approvals required by applicable law or exchange requirements.

It is important for Shareholders to note that the Company will have no right, and GDH GP will have no obligation, to cause GDH LP to make distributions to GDH LP Unitholders or withdrawals from GDH LP, including the Company. See “*Dividends and Other Rights*” above.

A full description of the terms of the GDH LP Units is contained in the GDH LPA. A copy of the GDH LPA is available under the Company’s SEDAR profile at www.sedar.com.

DESCRIPTION OF DEBT SECURITIES

In this section describing the debt securities, the terms “Company” and “Galaxy” refer only to Galaxy Digital Holdings Ltd. without any of its subsidiaries.

The following description of the terms of debt securities sets forth certain general terms and provisions of debt securities in respect of which a prospectus supplement may be filed. The particular terms and provisions of debt securities offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the prospectus supplement filed in respect of such debt securities. Prospective investors should rely on information in the applicable prospectus supplement if it is different from the following information.

Debt securities may be offered separately or in combination with one or more other securities of the Company. The Company may, from time to time, issue debt securities and incur additional indebtedness other than through the issue of debt securities pursuant to this prospectus. Convertible debt securities offered under this prospectus may only be convertible into other securities of the Company.

The Company will deliver, along with this prospectus, an undertaking to the securities regulatory authority in each province and territory of Canada that the Company will, if any debt securities are distributed under this prospectus and for so long as such debt securities are issued and outstanding, file the periodic and timely disclosure of any credit supporter similar to the disclosure required under Section 12.1 of Form 44-101F1.

Any prospectus supplement offering guaranteed debt securities will comply with the requirements of Item 12 of Form 44-101F1 or the conditions for an exemption from those requirements and will include a certificate from each credit supporter as required by section 21.1 of Form 44-101F1 and section 5.12 of NI 41-101.

The debt securities will be issued under one or more indentures (each, a “**Trust Indenture**”), in each case between the Company and a financial institution or trust company organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee (each, a “**Trustee**”).

The following description sets forth certain general terms and provisions of the debt securities and is not intended to be complete. The particular terms and provisions of the debt securities and a description of how the general terms and provisions described below may apply to the debt securities will be included in the applicable prospectus supplement. The following description is subject to the detailed provisions of the applicable Trust Indenture. Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically at www.sedar.com.

General

The applicable Trust Indenture will not limit the aggregate principal amount of debt securities that may be issued under such Trust Indenture and will not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that the Company may issue debt securities from time to time in one or more series and may be denominated and payable in U.S. dollars, Canadian dollars or any foreign currency. Unless otherwise indicated in the applicable prospectus supplement, the debt securities will be unsecured obligations of the Company.

The Company may specify a maximum aggregate principal amount for the debt securities of any series and, unless otherwise provided in the applicable prospectus supplement, a series of debt securities may be reopened for issuance

of additional debt securities of such series. The applicable Trust Indenture will also permit the Company to increase the principal amount of any series of the debt securities previously issued and to issue that increased principal amount.

Any prospectus supplement for debt securities supplementing this prospectus will contain the specific terms and other information with respect to the debt securities being offered thereby, including, but not limited to, the following:

- the designation, aggregate principal amount and authorized denominations of such debt securities;
- the percentage of principal amount at which the debt securities will be issued;
- whether payment on the debt securities will be senior or subordinated to other liabilities or obligations of the Company;
- whether the payment of the debt securities will be guaranteed by GDH LP;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the debt securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the debt securities and the portion (if less than the principal amount) of debt securities to be payable upon a declaration of acceleration of maturity;
- whether the debt securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay principal, premium, if any, and interest, if any, and the place or places where debt securities can be presented for registration of transfer or exchange;
- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deduction for Canadian taxes with respect to the debt securities, and whether and on what terms the Company will have the option to redeem the debt securities rather than pay the additional amounts;
- whether the Company will be obligated to redeem or repurchase the debt securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the debt securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered debt securities;
- the currency or currency units for which debt securities may be purchased and the currency or currency units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the debt securities will be made by delivery of Ordinary Shares or other property;
- whether payments on the debt securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the debt securities, any payment of any interest on such debt securities or any repayment of the principal owing upon the maturity of such debt securities through the issuance of securities of the Company or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;
- whether the debt securities will be issued as global securities (defined below) and, if so, the identity of the depository (defined below) for the global securities;
- whether the debt securities will be issued as unregistered securities (with or without coupons), registered securities or both;
- the periods within which and the terms and conditions, if any, upon which the Company may redeem the debt securities prior to maturity and the price or prices of which, and the currency or currency units in which, the debt securities are payable;
- any events of default or covenants applicable to the debt securities;
- any terms under which debt securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of debt securities have special rights if specified events occur;
- any mandatory or optional redemption or sinking fund or analogous provisions;
- the terms, if any, for any conversion or exchange of the debt securities for any other securities of the Company;
- if applicable, any transfer restrictions in respect of Disqualified Holders or otherwise
- rights, if any, on a change of control;
- provisions as to modification, amendment or variation of any rights or terms attaching to the debt securities;
- the Trustee under the Trust Indenture pursuant to which the debt securities are to be issued;

- whether the Company will undertake to list the debt securities of the series on any securities exchange or automated interdealer quotation system; and
- any other terms, conditions, rights and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the debt securities being offered which do not apply generally to other debt securities, or any covenants or events of default generally applicable to the debt securities which do not apply to a particular series of the debt securities.

The Company reserves the right to include in a prospectus supplement specific terms pertaining to the debt securities which are not within the options and parameters set forth in this prospectus. In addition, to the extent that any particular terms of the debt securities described in a prospectus supplement differ from any of the terms described in this prospectus, the description of such terms set forth in this prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such prospectus supplement with respect to such debt securities.

Unless stated otherwise in the applicable prospectus supplement, no holder of debt securities will have the right to require the Company to repurchase the debt securities and there will be no increase in the interest rate if the Company becomes involved in a highly leveraged transaction or has a change of control.

The Company may issue debt securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these securities at a discount below their stated principal amount. The Company may also sell any of the debt securities for a foreign currency or currency unit, and payments on the debt securities may be payable in a foreign currency or currency unit. In any of these cases, the Company will describe certain Canadian federal income tax consequences and other special considerations in the applicable prospectus supplement.

Unless otherwise indicated in the applicable prospectus supplement, the Company may issue debt securities with terms different from those of debt securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of debt securities and issue additional debt securities of such series.

Original purchasers of debt securities which are convertible into or exchangeable for other securities of the Company will be granted a contractual right of rescission against the Company in respect of the purchase and conversion or exchange of such debt security. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the debt security and the amount paid upon conversion or exchange, upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the convertible or exchangeable security under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible or exchangeable security under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

Ranking and Other Indebtedness

Unless otherwise indicated in an applicable prospectus supplement, the debt securities will be direct unsecured obligations of the Company. The debt securities will be senior or subordinated indebtedness of the Company as described in the applicable prospectus supplement. If the debt securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Company from time to time issued and outstanding which is not subordinated. If the debt securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable prospectus supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable prospectus supplement. The Company reserves the right to specify in a prospectus supplement whether a particular series of subordinated debt securities is subordinated to any other series of subordinated debt securities.

The Board may establish the extent and manner, if any, to which payment on or in respect of a series of debt securities will be senior or will be subordinated to the prior payment of our other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed and the nature and priority of any security. GDH LP may guarantee such debt securities in the event the Company offers any guaranteed debt securities.

Registration of Debt Securities

Debt Securities in Book Entry Form

Unless otherwise indicated in an applicable prospectus supplement, debt securities of any series may be issued in whole or in part in the form of one or more global securities (“**Global Securities**”) registered in the name of a designated clearing agency (a “**Depository**”) or its nominee and held by or on behalf of the Depository in accordance with the terms of the applicable Trust Indenture. The specific terms of the depositary arrangement with respect to any portion of a series of debt securities to be represented by a Global Security will, to the extent not described herein, be described in the prospectus supplement relating to such series. The Company anticipates that the provisions described in this section will apply to all depositary arrangements.

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the debt securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee (“**Participants**”). Such accounts are typically designated by the underwriters, dealers or agents participating in the distribution of the debt securities or by the Company if such debt securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

So long as the Depository for a Global Security, or its nominee, is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by such Global Security for all purposes under the applicable Trust Indenture and payments of principal, premium, if any, and interest, if any, on the debt securities represented by a Global Security will be made by the Company to the Depository or its nominee. The Company expects that the Depository or its nominee, upon receipt of any payment of principal, premium, if any, or interest, if any, will credit Participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depository or its nominee. The Company also expects that payments by Participants to owners of beneficial interests in a Global Security held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of such Participants.

Conveyance of notices and other communications by the Depository to direct Participants, by direct Participants to indirect Participants and by direct and indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of debt securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the debt securities, such as redemptions, tenders, defaults and proposed amendments to the Trust Indenture.

Owners of beneficial interests in a Global Security will not be entitled to have the debt securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of such debt securities in certificated non-book-entry form, and will not be considered the owners or holders thereof under the applicable Trust Indenture, and the ability of a holder to pledge a debt security or otherwise take action with respect to such holder’s interest in a debt security (other than through a Participant) may be limited due to the lack of a physical certificate.

No Global Security may be exchanged in whole or in part for debt securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depository for such Global Security or any nominee of such Depository unless: (i) the Depository is no longer willing or able to discharge properly its responsibilities as Depository and the Company is unable to locate a qualified successor; (ii) the Company at its option elects, or is required by law, to terminate the book-entry system through the Depository or the book-entry system ceases to exist; or (iii) if provided for in the Trust Indenture, after the occurrence of an event of default thereunder (provided the Trustee has not waived the event of default in accordance with the terms of the Trust Indenture), Participants acting on behalf of beneficial holders representing, in aggregate, a threshold percentage of the

aggregate principal amount of the debt securities then outstanding advise the Depository in writing that the continuation of a book-entry system through the Depository is no longer in their best interest.

If one of the foregoing events occurs, such Global Security shall be exchanged for certificated non-book-entry debt securities of the same series in an aggregate principal amount equal to the principal amount of such Global Security and registered in such names and denominations as the Depository may direct.

The Company, any underwriters, dealers or agents and any Trustee identified in an accompanying prospectus supplement, as applicable, will not have any liability or responsibility for (i) records maintained by the Depository relating to beneficial ownership interests in the debt securities held by the Depository or the book-entry accounts maintained by the Depository, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests, or (iii) any advice or representation made by or with respect to the Depository and contained in this prospectus or in any prospectus supplement or Trust Indenture with respect to the rules and regulations of the Depository or at the direction of Participants.

Unless otherwise stated in the applicable prospectus supplement, CDS Clearing and Depository Services Inc. or its successor will act as Depository for any debt securities represented by a Global Security.

Debt Securities in Certificated Form

A series of the debt securities may be issued in definitive form, solely as registered securities, solely as unregistered securities or as both registered securities and unregistered securities. Unless otherwise indicated in the applicable prospectus supplement, unregistered securities will have interest coupons attached.

In the event that the debt securities are issued in certificated non-book-entry form, and unless otherwise indicated in the applicable prospectus supplement, payment of principal, premium, if any, and interest, if any, on the debt securities (other than a Global Security) will be made at the office or agency of the Trustee or, at the option of the Company, by the Company by way of cheque mailed or delivered to the address of the person entitled at the address appearing in the security register of the Trustee or electronic funds wire or other transmission to an account of the person entitled to receive such payments. Unless otherwise indicated in the applicable prospectus supplement, payment of interest, if any, will be made to the persons in whose name the debt securities are registered at the close of business on the day or days specified by the Company.

At the option of the holder of debt securities, registered securities of any series will be exchangeable for other registered securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable prospectus supplement, unregistered securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such event, unregistered securities surrendered in a permitted exchange for registered securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such unregistered security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable prospectus supplement, unregistered securities will not be issued in exchange for registered securities.

The applicable prospectus supplement may indicate the places to register a transfer of the debt securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the debt securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

DESCRIPTION OF WARRANTS

General

This section describes the general terms that will apply to any warrants for the purchase of Ordinary Shares, or equity warrants, or for the purchase of debt securities, or debt warrants.

We may issue warrants independently or together with other securities, and warrants sold with other securities may be attached to or separate from the other securities. Warrants will be issued under one or more warrant agency agreements to be entered into by us and one or more banks or trust companies acting as warrant agent.

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces and territories of Canada, that it will not distribute warrants that, according to their terms as described in the applicable prospectus supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless such prospectus supplement containing the specific terms of the warrants to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada where the warrants will be distributed.

This summary of some of the provisions of the warrants is not complete. The statements made in this prospectus relating to any warrant agreement and warrants to be issued under this prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement. You should refer to the warrant indenture or warrant agency agreement relating to the specific warrants being offered for the complete terms of the warrants. A copy of any warrant indenture or warrant agency agreement relating to an offering or warrants will be filed by the Company with the securities regulatory authorities in the applicable Canadian offering jurisdictions after we have entered into it, and will be available electronically on SEDAR at www.sedar.com.

The applicable prospectus supplement relating to any warrants that we offer will describe the particular terms of those warrants and include specific terms relating to the offering.

Original purchasers of warrants (if offered separately) will have a contractual right of rescission against us in respect of the exercise of such warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the warrant, the total of the amount paid on original purchase of the warrant and the amount paid upon exercise, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the warrant under the applicable prospectus supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the warrant under the applicable prospectus supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

In an offering of warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the warrants, or other convertible securities, are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights, or consult with a legal advisor.

Equity Warrants

The particular terms of each issue of equity warrants will be described in the applicable prospectus supplement. This description will include, where applicable:

- the designation and aggregate number of equity warrants;
- the price at which the equity warrants will be offered;
- the currency or currencies in which the equity warrants will be offered;
- the date on which the right to exercise the equity warrants will commence and the date on which the right will expire;
- the number of Ordinary Shares that may be purchased upon exercise of each equity warrant and the price at which and currency or currencies in which the Ordinary Shares may be purchased upon exercise of each equity warrant;
- the terms of any provisions allowing or providing for adjustments in (i) the number and/or class of shares that may be purchased, (ii) the exercise price per share or (iii) the expiry of the equity warrants;
- whether we will issue fractional shares;
- whether we have applied to list the equity warrants or the underlying shares on a stock exchange;
- the designation and terms of any securities with which the equity warrants will be offered, if any, and the number of the equity warrants that will be offered with each security;
- the date or dates, if any, on or after which the equity warrants and the related securities will be transferable separately;
- whether the equity warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the equity warrants;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the equity warrants; and
- any other material terms or conditions of the equity warrants.

Debt Warrants

The particular terms of each issue of debt warrants will be described in the related prospectus supplement. This description will include, where applicable:

- the designation and aggregate number of debt warrants;
- the price at which the debt warrants will be offered;
- the currency or currencies in which the debt warrants will be offered;
- the designation and terms of any securities with which the debt warrants are being offered, if any, and the number of the debt warrants that will be offered with each security;
- the date or dates, if any, on or after which the debt warrants and the related securities will be transferable separately;
- the principal amount and designation of debt securities that may be purchased upon exercise of each debt warrant and the price at which and currency or currencies in which that principal amount of debt securities may be purchased upon exercise of each debt warrant;
- the date on which the right to exercise the debt warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of debt warrants that may be exercised at any one time;
- whether the debt warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the debt warrants;
- whether we have applied to list the debt warrants or the underlying debt securities on an exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the debt warrants; and
- any other material terms or conditions of the debt warrants.

Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of the securities subject to the warrants.

DESCRIPTION OF UNITS

Galaxy may issue units, which may consist of one or more of Ordinary Shares, warrants or any other security specified in the relevant prospectus supplement. Each unit will be issued so that the holder of the unit is also the holder of each of the securities included in the unit. In addition, the relevant prospectus supplement relating to an offering of units will describe all material terms of any units offered, including, as applicable:

- the designation and aggregate number of units being offered;
- the price at which the units will be offered;
- the designation, number and terms of the securities comprising the units and any agreement governing the units;
- the date or dates, if any, on or after which the securities comprising the units will be transferable separately;
- whether we will apply to list the units or any of the individual securities comprising the units on any exchange;
- material Canadian income tax consequences of owning the units, including, how the purchase price paid for the units will be allocated among the securities comprising the units; and
- any other material terms or conditions of the units.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

We may issue subscription receipts separately or in combination with one or more other securities, which will entitle holders thereof to receive, upon satisfaction of certain release conditions (the “**Release Conditions**”) and for no additional consideration, Ordinary Shares, warrants, debt securities or any combination thereof. Subscription receipts will be issued pursuant to one or more subscription receipt agreements (each, a “**Subscription Receipt Agreement**”), the material terms of which will be described in the applicable prospectus supplement, each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”) that will be named in the relevant prospectus supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any subscription receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the subscription receipts sold to or through such underwriter or agent.

The following description sets forth certain general terms and provisions of subscription receipts that may be issued hereunder and is not intended to be complete. The statements made in this prospectus relating to any Subscription Receipt Agreement and subscription receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement. Prospective investors should refer to the Subscription Receipt Agreement relating to the specific subscription receipts being offered for the complete terms of the subscription receipts. We will file a copy of any Subscription Receipt Agreement relating to an offering of subscription receipts with the applicable securities regulatory authorities in Canada after it has been entered into it.

General

The prospectus supplement and the Subscription Receipt Agreement for any subscription receipts that we may offer will describe the specific terms of the subscription receipts offered. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of subscription receipts being offered;
- the price at which the subscription receipts will be offered;
- the designation, number and terms of the Ordinary Shares, warrants and/or debt securities to be received by the holders of subscription receipts upon satisfaction of the Release Conditions, and any procedures that will result in the adjustment of those numbers;
- the Release Conditions that must be met in order for holders of subscription receipts to receive, for no additional consideration, the Ordinary Shares, warrants and/or debt securities;
- the procedures for the issuance and delivery of the Ordinary Shares, warrants and/or debt securities to holders of subscription receipts upon satisfaction of the Release Conditions;

- whether any payments will be made to holders of subscription receipts upon delivery of the Ordinary Shares, warrants and/or debt securities upon satisfaction of the Release Conditions;
- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of subscription receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold the Ordinary Shares, warrants and/or debt securities pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- if the subscription receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the subscription receipts;
- procedures for the refund by the Escrow Agent to holders of subscription receipts of all or a portion of the subscription price of their subscription receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of subscription receipts in the event that this prospectus, the prospectus supplement under which such subscription receipts are issued or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of Galaxy to purchase the subscription receipts in the open market by private agreement or otherwise;
- whether we will issue the subscription receipts as Global Securities and, if so, the identity of the Depository for the Global Securities;
- whether we will issue the subscription receipts as unregistered bearer securities, as registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the subscription receipts, including upon any subdivision, consolidation, reclassification or other material change of the Ordinary Shares, warrants or other Galaxy securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company’s assets or any distribution of property or rights to all or substantially all of the holders of Ordinary Shares;
- whether we will apply to list the subscription receipts on any exchange;
- material Canadian federal income tax consequences of owning the subscription receipts; and
- any other material terms or conditions of the subscription receipts.

Original purchasers of subscription receipts will have a contractual right of rescission against us in respect of the conversion of the subscription receipts. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the subscription receipts upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion takes place within 180 days of the date of the purchase of the subscription receipts under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the subscription receipts under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions

The holders of subscription receipts will not be, and will not have the rights of, Shareholders. Holders of subscription receipts are entitled only to receive Ordinary Shares, warrants and/or debt securities on exchange of their subscription receipts, plus any cash payments, if any, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied. If the Release Conditions are not satisfied, holders of subscription receipts shall be entitled to a refund of all or a portion of the subscription price therefor and their pro rata share of interest earned or income generated thereon, if provided for in the Subscription Receipt Agreement, all as provided in the Subscription Receipt Agreement.

Escrow

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Company (and, if the subscription receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the subscription receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of subscription receipts will receive a refund of all or a portion of the subscription price for their subscription receipts, plus their pro-rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement. Ordinary Shares, warrants and or debt securities may be held in escrow by the Escrow Agent and will be released to the holders of subscription receipts following satisfaction of the Release Conditions at the time and under the terms specified in the Subscription Receipt Agreement.

Modifications

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the subscription receipts issued thereunder may be made by way of a resolution of holders of subscription receipts at a meeting of such holders or consent in writing from such holders. The number of holders of subscription receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement.

The Subscription Receipt Agreement will also specify that we may amend any Subscription Receipt Agreement and the subscription receipts without the consent of the holders of the subscription receipts to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision or in any other manner that will not materially and adversely affect the interests of the holders of outstanding subscription receipts or as otherwise specified in the Subscription Receipt Agreement.

DESCRIPTION OF SHARE PURCHASE CONTRACTS

We may issue share purchase contracts, representing contracts obligating holders to purchase from or sell to us a specified number of Ordinary Shares, as applicable, at a future date or dates.

The price per Ordinary Share and the number of Ordinary Shares, as applicable, may be fixed at the time the share purchase contracts are issued or may be determined by reference to a specific formula or method set forth in the share purchase contracts. We may issue share purchase contracts in accordance with applicable laws and in such amounts and in as many distinct series as we may determine.

The share purchase contracts may be issued separately or as part of units consisting of a share purchase contract and beneficial interests in debt securities, or debt obligations of third parties, including U.S. treasury securities or obligations of our subsidiaries, securing the holders' obligations to purchase the Ordinary Shares under the share purchase contracts, which we refer to in this prospectus as share purchase units. The share purchase contracts may require the Company to make periodic payments to the holders of the share purchase units or vice versa, and these payments may be unsecured or refunded and may be paid on a current or on a deferred basis. The share purchase contracts may require holders to secure their obligations under those contracts in a specified manner.

Holders of share purchase contracts are not shareholders of Galaxy. The particular terms and provisions of share purchase contracts offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the prospectus supplement filed in respect of such share purchase contracts. This description will include, where applicable: (i) whether the share purchase contracts obligate the holder to purchase or sell, or both purchase and sell, Ordinary Shares, as applicable, and the nature and amount of those securities, or the method of determining those amounts; (ii) any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied; (iii) whether the share purchase contracts are to be settled by delivery, or by reference or linkage to the value or performance of Ordinary Shares; (iv) any acceleration, cancellation, termination or other provisions relating to the settlement of the share purchase contracts; (v) the date or dates on which the sale or purchase must be made, if any; (vi) whether the share purchase contracts will be issued in fully registered or global form; (vii) the material income tax consequences of owning, holding and

disposing of the share purchase contracts; and (vii) any other material terms and conditions of the share purchase contracts including, without limitation, transferability and adjustment terms and whether the share purchase contracts will be listed on a stock exchange.

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces and territories of Canada, that it will not distribute share purchase contracts that, according to their terms as described in the applicable prospectus supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless such prospectus supplement containing the specific terms of the share purchase contracts to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada where the share purchase contracts will be distributed.

Original purchasers of share purchase contracts will be granted a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such share purchase contract. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

DESCRIPTION OF RIGHTS

The Company may issue rights to Shareholders for the purchase of debt securities, Ordinary Shares or other securities. These rights may be issued independently or together with any other security offered hereby and may or may not be transferable by the Shareholder receiving the rights in such offering. In connection with any offering of such rights, the Company may enter into a standby arrangement with one or more underwriters or other purchasers pursuant to which the underwriters or other purchasers may be required to purchase any securities remaining unsubscribed for after such offering.

Each series of rights will be issued under a separate rights agreement which the Company will enter into with a bank or trust company, as rights agent, all as set forth in the applicable prospectus supplement. The rights agent will act solely as the Company’s agent in connection with the certificates relating to the rights and will not assume any obligation or relationship of agency or trust with any holders of rights certificates or beneficial owners of rights.

The applicable prospectus supplement will describe the specific terms of any offering of rights for which this prospectus is being delivered, including the following:

- the date of determining the Shareholders entitled to the rights distribution;
- the number of rights issued or to be issued to each Shareholder;
- the exercise price payable for each share of debt securities, Ordinary Shares or other securities which may be purchased per each right;
- the number and terms of the shares of debt securities, Ordinary Shares or other securities which may be purchased per each right;
- the extent to which the rights are transferable;
- the date on which the holder’s ability to exercise the rights shall commence, and the date on which the rights shall expire;

- the extent to which the rights may include an over-subscription privilege with respect to unsubscribed securities;
- if applicable, the material terms of any standby underwriting or purchase arrangement entered into by us in connection with the offering of such rights; and
- any other terms of the rights, including the terms, procedures, conditions and limitations relating to the exchange and exercise of the rights.

Original purchasers of rights which are convertible into or exchangeable for other securities of the Company will be granted a contractual right of rescission against the Company in respect of the purchase and conversion or exchange of such right. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the right and the amount paid upon conversion or exchange, upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the convertible or exchangeable security under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible or exchangeable security under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

PLAN OF DISTRIBUTION

We may issue our securities offered by this prospectus for cash or other consideration (i) to or through underwriters, dealers, placement agents or other intermediaries, (ii) directly to one or more purchasers or (iii) in connection with acquisitions of assets or shares or another entity or company. The consideration for an acquisition of assets or shares of another entity or company may consist of any of the securities covered hereby separately, a combination of such securities, or any combination of, among other things, securities, cash or the assumption of liabilities.

Each prospectus supplement with respect to our securities being offered will set forth the terms of the offering, including:

- the person offering the securities;
- the name or names of any underwriters, dealers or other placement agents;
- the number and the purchase price of, and form of consideration for, our securities;
- any proceeds to the Company from such sale; and
- any commissions, fees, discounts and other items constituting underwriters', dealers' or agents' compensation.

Our securities may be sold, from time to time, in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market price or at negotiated prices, including sales in transactions that are deemed to be at the market distributions, including sales made directly on the TSX or other existing trading markets for the securities. The prices at which the securities may be offered may vary as between purchasers and during the period of distribution. Only underwriters named in the prospectus supplement are deemed to be underwriters in connection with our securities offered by that prospectus supplement.

Under agreements which may be entered into by the Company, underwriters, dealers and agents who participate in the distribution of our securities may be entitled to indemnification by the Company against certain liabilities, including liabilities under applicable Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. The underwriters, dealers and agents with whom we enter into agreements may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable prospectus supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada or to an investor who is a resident of Canada of acquiring, owning and disposing of any of our securities offered thereunder. Investors should read the tax discussion in any prospectus supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

PROMOTERS

GDH LP is a promoter of the Company within the meaning of applicable securities legislation by reason of its active involvement in the ongoing management of the Company's business and its active contributions to the Company's ongoing growth. As of the date of this prospectus, GDH LP does not own any Ordinary Shares of Galaxy.

In 2018, the Company acquired a minority equity interest in GDH LP. In order to fund this acquisition, the Company completed a partially brokered private placement offering (the "**Private Placement**") on February 14, 2018 of 60,969,746 Subscription Receipts at a price of C\$5.00 per Subscription Receipt. The Private Placement was considered an arm's length financing and raised an aggregate of approximately C\$305 million of proceeds. On completion of the Arrangement, the net proceeds (plus accrued interest) of \$229,212,647 was released from escrow in exchange for the issuance of A Units in GDH LP. This amount represents net proceeds of \$228.4 million and approximately \$0.8 million of interest earned on proceeds in escrow. The Company has not provided any further assets to GDH LP.

Additionally, the Company has been notified by the Ontario Securities Commission, as principal regulator, that it is of the view that Michael Novogratz is a promoter of the Company within the meaning of applicable securities laws. See "*Exemptive Relief From National Instrument 44-101*".

LEGAL MATTERS

Certain legal matters related to our securities offered by this prospectus will be passed upon on our behalf by Blake, Cassels & Graydon LLP, with respect to matters of Canadian law and Maples and Calder LLP, with respect to matters of Cayman Islands law.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is Davidson & Company LLP at its offices located at 1200 – 609 Granville Street, Vancouver, BC V7Y 1G6.

The transfer agent and registrar of the Company is TSX Trust Company ("**TSX Trust**"), at its offices located at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1.

AGENT FOR SERVICE OF PROCESS

Galaxy, GDH LP and its subsidiaries are incorporated under the laws of a foreign jurisdiction, and all of our directors reside outside of Canada, namely Dominic Docherty, Nereida Flannery, Theagenis Iliadis, Bill Koutsouras and Michael Novogratz. Galaxy and each of Dominic Docherty, Nereida Flannery, Theagenis Iliadis, Bill Koutsouras, Christopher Ferraro, Richard Tavoso, Ashwin Prithipaul and Michael Novogratz, have appointed the following agent for service of process in Canada:

Name and Address of Agent
Blakes Vancouver Services Inc., c/o Blake, Cassels & Graydon LLP, located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

COMPARISON OF THE CORPORATE LAWS OF THE CAYMAN ISLANDS AND ONTARIO

While the rights and privileges of shareholders of a Cayman Islands exempted company are in many instances comparable to those of shareholders of a corporation incorporated under the *Business Corporations Act* (Ontario) (the “OBCA”), there are differences, the principal ones of which are summarized below. We urge you to read the instruments governing the provisions of the Companies Law (Cayman Islands) (“**Cayman Company Law**”) and the OBCA which are relevant to a full understanding of the governing statutes, fully and in their entirety.

Director Citizenship and Residency

The OBCA requires that at least 25% of a corporation’s directors must be resident Canadians. There are no residency requirements for corporate directors under the Cayman Company Law.

Duties of Directors and Officers

The OBCA requires that directors and officers, in exercising their powers and discharging their duties, act honestly and in good faith with a view to the best interests of the corporation, while exercising the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. No provision in the corporation’s articles, by-laws, resolutions or contracts may relieve a director or officer of these duties.

As a matter of Cayman Law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company. Fiduciary obligations and duties of directors under applicable Cayman Islands law (“**Cayman Law**”) are substantially the same as under the OBCA. Under Cayman Law, directors owe the following fiduciary duties: (i) duty to act in good faith in what the director believes to be in the best interests of the company as a whole; (ii) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose; (iii) directors should not properly fetter the exercise of future discretion; (iv) duty to exercise powers fairly as between different sections of shareholders; (v) duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests; and (vi) duty to exercise independent judgment.

In addition to the above, under Cayman Law directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge skill and experience of that director under Cayman Law.

As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the Articles or alternatively by shareholder approval at general meetings.

Indemnification of Directors and Officers

Under the OBCA, a corporation may indemnify a director or officer of the corporation (or its affiliates), a former director or officer of the corporation (or its affiliates) or an individual who served at the corporation’s request as directors or officers of an outside entity. The corporation has the discretion to indemnify a director or officer against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal or administrative, investigation action or proceeding in which the individual is involved because of that association with the corporation (or its affiliates) or other entity, if he or she acted honestly and in good faith with a view to the best interests of the corporation, or the outside entity, as the case may be. In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer must have had reasonable grounds for believing that his or her conduct was lawful. A corporation may advance money to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to above but the money must be repaid if the above conditions are not met.

Galaxy entered into indemnification agreements with its directors and executive officers under Cayman Law, pursuant to which it agreed to indemnify each such person and hold him or her harmless against certain expenses, judgments, fines and amounts payable under settlement agreements in connection with any threatened, pending or completed action, suit or proceeding to which such person has been made a party or in which such person became involved by reason of the fact that he or she is or was the Galaxy's director or officer. Except with respect to expenses reasonably and actually incurred by the indemnified party to be reimbursed by Galaxy in the event that the indemnified person has been successful on the merits or otherwise in defence of the action, suit or proceeding, Galaxy's obligations under the indemnification agreements are subject to certain customary restrictions and exceptions.

Amendment to Governing Documents

Under the OBCA, any amendment to the articles of a corporation generally requires the approval of shareholders by way of special resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution at a duly constituted meeting or a resolution signed by all of the shareholders entitled to vote on that resolution. The directors may, by resolution, make, amend or repeal any by-laws that regulate the business or affairs of a corporation and they must submit the by-law, amendment or repeal to the shareholders at the next meeting of shareholders, and the shareholders may, by ordinary resolution, confirm, reject or amend the by-law, amendment or repeal.

The procedures for the amendment of the governing documents by the shareholders under Cayman Law is substantially similar to the procedures under the OBCA. However, under Cayman Law, the directors have no power to make, amend or repeal any by-laws or articles.

Under the OBCA, a corporation may vary the rights of a class of shares by way of a special resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution at a duly constituted meeting or by a resolution signed by all of the shareholders entitled to vote on that resolution. The Articles will provide that if at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than two thirds of the issued shares of that class, or with the sanction of a resolution passed by a majority of not less than two thirds of the votes cast at a separate meeting of the holders of the shares of that class.

Inspection of Books and Records

Under the OBCA, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records.

Under Cayman Company Law, shareholders have no general right to obtain copies of shareholder lists or corporate records. The Articles will provide the shareholders with the right to inspect or obtain copies of a list of shareholders, provided certain specified procedures are followed and the shareholder who seeks the right of inspection has a "proper purpose", being a purpose reasonably related to such person's interest as a shareholder. There is no general right to inspect the books and records pursuant to Cayman Company Law, but under the Articles, the Board will have the discretion to permit any shareholder to inspect the books and records for any proper purpose.

Shareholder Action by Written Resolution

Under the OBCA, the shareholders have the right to act by written consent by a resolution signed by all the shareholders. As permitted under Cayman Company Law, the Articles will provide for the right of shareholders to approve corporate matters by way of a unanimous written resolution signed by each shareholder who would have been entitled to vote on such matters at a meeting without a meeting being held.

Shareholder Proposals

Under the OBCA, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or may be requisitioned by shareholders in certain circumstances. The same will be provided under the Articles as permitted by Cayman Company Law.

Removal of Directors

Under the OBCA, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or may be requisitioned by shareholders holding not less than 5% of the issued shares in certain circumstances. The same right to requisition a meeting will be provided under the Articles to shareholders holding not less than 20% of the issued shares, as permitted by Cayman Company Law.

Vote Required for Certain Transactions

Under the OBCA, certain extraordinary corporate actions, such as certain amalgamations, continuances and sales, leases or exchanges of all or substantially all the property of a corporation other than in the ordinary course of business, and other extraordinary corporate actions such as liquidations, dissolutions and (if ordered by a court) arrangements, are required to be approved by way of special resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution or signed by all of the shareholders entitled to vote on that resolution. Except as otherwise described below, the Articles will provide for similar voting requirements in respect of these corporate actions.

In certain circumstances Cayman Company Law allows for mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands company and a company incorporated in another jurisdiction (provided that is facilitated by the laws of that other jurisdiction).

Where the above procedures are adopted, the Cayman Company Law provides for a right of dissenting shareholders to be paid a payment of the fair value of his shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows (a) the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (b) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice to each shareholder who made a written objection; (c) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent including, among other details, a demand for payment of the fair value of his shares; (d) within seven days following the date of the expiration of the period set out in paragraph (b) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his shares at a price that the company determines is the fair value and if the company and the shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the shareholder such amount; (e) if the company and the shareholder fail to agree a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company (and any dissenting shareholder) must file a petition with the Grand Court of the Cayman Islands Grand Court to determine the fair value and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not be available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date or where the consideration for such shares to be contributed are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Moreover, Cayman Islands law also has separate statutory provisions that facilitate the reconstruction or amalgamation of companies in certain circumstances, commonly referred to in the Cayman Islands as a “scheme of arrangement” which may be tantamount to a merger. In the event that a merger was sought pursuant to a scheme of arrangement (the procedure of which are more rigorous and take longer to complete than the procedures typically required to consummate a merger in the United States), the arrangement in question must be approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meeting summoned for that purpose. The convening of the

meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- the company not proposing to act illegally or beyond the scope of its corporate authority and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such as a businessman would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Cayman Company Law or that would amount to a “fraud on the minority.”

If the scheme of arrangement were thus approved, any dissenting shareholder would have no rights comparable to appraisal rights, which might otherwise ordinarily be available to dissenting shareholders of OBCA corporations that allow such dissenting shareholders to receive payment in cash for the judicially determined value of the shares.

Compulsory Acquisition of Shares Held by Minority Holders

Similar to the OBCA, there are certain circumstances under Cayman Company Law where an acquiring party may be able to compulsorily acquire the shares of minority holders. Under Cayman Company Law, an acquiring party may be able to compulsorily acquire the common shares of minority holders in one of two ways:

- (a) By a procedure under Cayman Law known as a “scheme of arrangement,” as described above.
- (b) By acquiring pursuant to a tender offer 90% of the shares not already owned by the acquiring party (the “**offeror**”). If an offeror has, within four months after the making of an offer for all the shares not owned by the offeror, obtained the approval of not less than 90% of all the shares to which the offer relates, the offeror may, at any time within two months after the end of that four month period, require any nontendering shareholder to transfer its shares on the same terms as the original offer. In those circumstances, nontendering shareholders will be compelled to sell their shares, unless within one month from the date on which the notice to compulsorily acquire was given to the nontendering shareholder, the nontendering shareholder is able to convince the court to order otherwise.

Dissent Rights

The OBCA provides that shareholders of a corporation entitled to vote on certain matters are entitled to exercise dissent rights and demand payment of the fair value of their shares. Dissent rights exist when there is a vote upon matters such as: (i) amending its articles to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class, (ii) amending its articles to add, change or remove any restriction on the business or businesses that the corporation may carry on, (iii) amalgamating, (iv) continuing under the laws of another jurisdiction, (v) selling, leasing or exchanging all or substantially all of the corporation’s property, or (vi) carrying out a going-private transaction or a squeeze-out transaction.

Cayman Company Law provides for a right of dissenting shareholders to be paid a payment of the fair value of his shares upon their dissenting to a statutory merger or consolidation if they follow the following procedure:

- (a) The shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation. Such objection must include a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote.
- (b) Within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice to each shareholder who made a written objection.

- (c) A shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent stating (i) his name and address; (ii) the number and classes of shares in respect of which he dissents (this must be all the shares that he holds in the constituent company); and (iii) a demand for payment of the fair value of his shares. The shareholder will cease to have any rights of a shareholder upon the giving of such dissent Notice except the right to be paid the fair value of his shares (and the right to participate in court proceedings to determine the fair value or the right to institute proceedings on the grounds that the merger or consolidation is void or unlawful).
- (d) Within seven days following the date of the expiration of the period set out in paragraph (b) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his shares at a price that the company determines is the fair value and if the company and the shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the shareholder such amount.

If the company and the shareholder fail to agree a price within such 30-day period, within 20 days following the date on which such 30-day period expires, the company (and any dissenting shareholder) must file a petition with the court to determine the fair value and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. The company must serve a copy of such petition on the other parties.

At the hearing, the Cayman court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached.

The costs of the proceeding may be determined by the court and the court may order all or a portion of the expenses incurred by any shareholder in connection with the proceedings, including reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares which are the subject of the proceeding.

These rights of a dissenting shareholder will not be available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date or where the consideration for such shares to be contributed are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Derivative Actions

Under the OBCA, a complainant may bring an action in the name of a corporation to enforce a corporate cause or action or intervene to defend an action against the corporation, when the corporation cannot or does not take up or defend the action. No action may be brought and no intervention in an action may be made unless the court is satisfied that: (i) the complainant has first applied for leave to the court, (ii) the complainant has given notice to the directors of the corporation of its intention to apply to a court not less than fourteen days before such application, (iii) the complainant is acting in good faith, and (iv) bringing the action is in the interests of the corporation.

Under the OBCA, the court may make any order it thinks fit including: (i) an order authorizing the complainant or any other person to control the conduct of the action, (ii) an order giving directions for the conduct of the action, (iii) an order directing that any amount adjudged payable in the action be paid, in whole or in part, directly to former and present shareholders of the corporation, and (iv) an order requiring the corporation to pay reasonable legal fees incurred by the complainant in connection with the action.

Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions. In most cases, we will be the proper plaintiff in any claim based on a breach of duty owed to us, and a claim against (for example) our officers or directors usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- (a) a company is acting, or proposing to act, illegally or beyond the scope of its authority;

- (b) the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- (c) those who control the company are perpetrating a “fraud on the minority.”

A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Generally, a complainant includes a present or former shareholder (registered or beneficial) of the corporation or any of its affiliates, a present or former officer or director of the corporation or any of its affiliates, the Director under the OBCA, or any other person who, in the discretion of the court is a proper person to make an application for an order.

Oppression Remedy

The OBCA provides an oppression remedy that enables a court to make an order, both interim and final, to rectify the matters complained of, if the court is satisfied upon application by a complainant that: (i) any act or omission of the corporation or any of its affiliates effects a result, (ii) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or (iii) the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any shareholder, creditor, director or officer of the corporation.

The laws of the Cayman Islands do not provide for a similar remedy, however, a shareholder does have the right to petition the court to wind-up a company on just and equitable grounds.

Enforcement of Judgments and other Matters under Cayman Company Law

The courts of the Cayman Islands are unlikely (i) to recognize or enforce judgments of Canadian or United States courts obtained in actions against Galaxy or its affiliates, directors, or officers, and certain experts, who reside outside Canada or the United States predicated upon the civil liability provisions of Canada or the United States federal securities laws and (ii) in original actions brought in the Cayman Islands, to impose liabilities against the Galaxy or its affiliates, directors or officers, as well as certain experts, who reside outside Canada or the United States predicated solely upon the civil liability provisions of Canadian or United States securities laws, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in Canada and the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met.

For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere. There is recent Privy Council authority (which is binding on the Cayman Islands courts) in the context of a reorganisation plan approved by the New York Bankruptcy Court which suggests that due to the universal nature of bankruptcy/insolvency proceedings, foreign money judgments obtained in foreign bankruptcy/insolvency proceedings may be enforced without applying the principles outlined above. However, a more recent English Supreme Court authority (which is highly persuasive but not binding on the Cayman Islands Court), has expressly rejected that approach in the context of a default judgment obtained in an adversary proceeding brought in the New York Bankruptcy Court by the receivers of the bankruptcy debtor against a third party, and which would not have been enforceable upon the application of the traditional common law principles summarised above and held that foreign money judgments obtained in bankruptcy/insolvency proceedings should be enforced by applying the principles set out above, and not by the simple exercise of the Courts' discretion. Those cases have now been considered by the Cayman Islands Court. The Cayman Islands Court was not asked to consider the specific question of whether a judgment of a bankruptcy court in an adversary proceeding would be enforceable in the Cayman Islands, but it did endorse the need for active assistance of overseas bankruptcy proceedings. The

Cayman Islands Court's decision in that case has been appealed and it remains the case that the law regarding the enforcement of bankruptcy/insolvency related judgments is still in a state of uncertainty.

EXEMPTIVE RELIEF FROM NATIONAL INSTRUMENT 44-101

Pursuant to a decision of the Autorité des Marchés Financiers, the securities regulatory authority in the Province of Québec, dated September 8, 2020, the Company was granted relief from the requirement that this Prospectus and all documents incorporated by reference herein, as well as any prospectus supplement that relates to any future “at-the-market” distribution, must be in both the French and English languages. The Company is not required to file French versions of this Prospectus, the documents incorporated by reference herein or any prospectus supplement relating to an “at-the-market” distribution. This exemption was granted on the condition that this prospectus, together with any prospectus supplement, and any documents incorporated by reference in the prospectus or any prospectus supplement, be translated into French if the Company offers securities to Québec purchasers in connection with an offering other than in relation to an “at-the-market” distribution.

Additionally, the Company has been notified by the Ontario Securities Commission, as principal regulator, that it is of the view that Michael Novogratz is a promoter of the Company within the meaning of applicable securities laws. Pursuant to subsection 58(5) of the *Securities Act* (Ontario), the Director has consented to Mr. Novogratz not signing a certificate as a promoter for this prospectus. Further, the Company has been advised by the Ontario Securities Commission that the issuance of a receipt for the prospectus will evidence the granting of such consent

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in some provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of securities under an at-the-market distribution by Galaxy do not have the right to withdraw from an agreement to purchase the securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to securities purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of National Instrument 44-102 Shelf Distributions.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation.

Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of securities distributed under an at-the-market distribution by Galaxy may have against Galaxy or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

A purchaser should refer to applicable securities legislation for the particulars of these rights and should consult a legal adviser.

In an offering of warrants, or other convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages under Canadian securities laws for a misrepresentation contained in the prospectus or a prospectus supplement (or any amendment thereto) is limited, in certain provincial and territorial securities legislation, to the price at which the warrants, or other convertible, exchangeable or exercisable securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

CERTIFICATE OF THE COMPANY

Dated: November 27, 2020

This short form base shelf prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form base shelf prospectus as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) "MICHAEL NOVOGRATZ"
Chief Executive Officer

(Signed) "ASHWIN PRITHIPAUL"
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) "THEAGENIS ILIADIS"
Director

(Signed) "BILL KOUTSOURAS"
Director

CERTIFICATE OF THE PROMOTER

Dated: November 27, 2020

This short form base shelf prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form base shelf prospectus as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) "MICHAEL NOVOGRATZ"
Chief Executive Officer

(Signed) "ASHWIN PRITHIPAUL"
Chief Financial Officer

On Behalf of the General Partner of the Promoter

(Signed) "MICHAEL NOVOGRATZ"
Chief Executive Officer

(Signed) "ASHWIN PRITHIPAUL"
Chief Financial Officer

On Behalf of the Managers of the General Partner of the Promoter

(Signed) "CHRISTOPHER FERRARO"
Manager

(Signed) "RICHARD TAVOSO"
Manager