



V I D A C A R B O N



Corporate Presentation

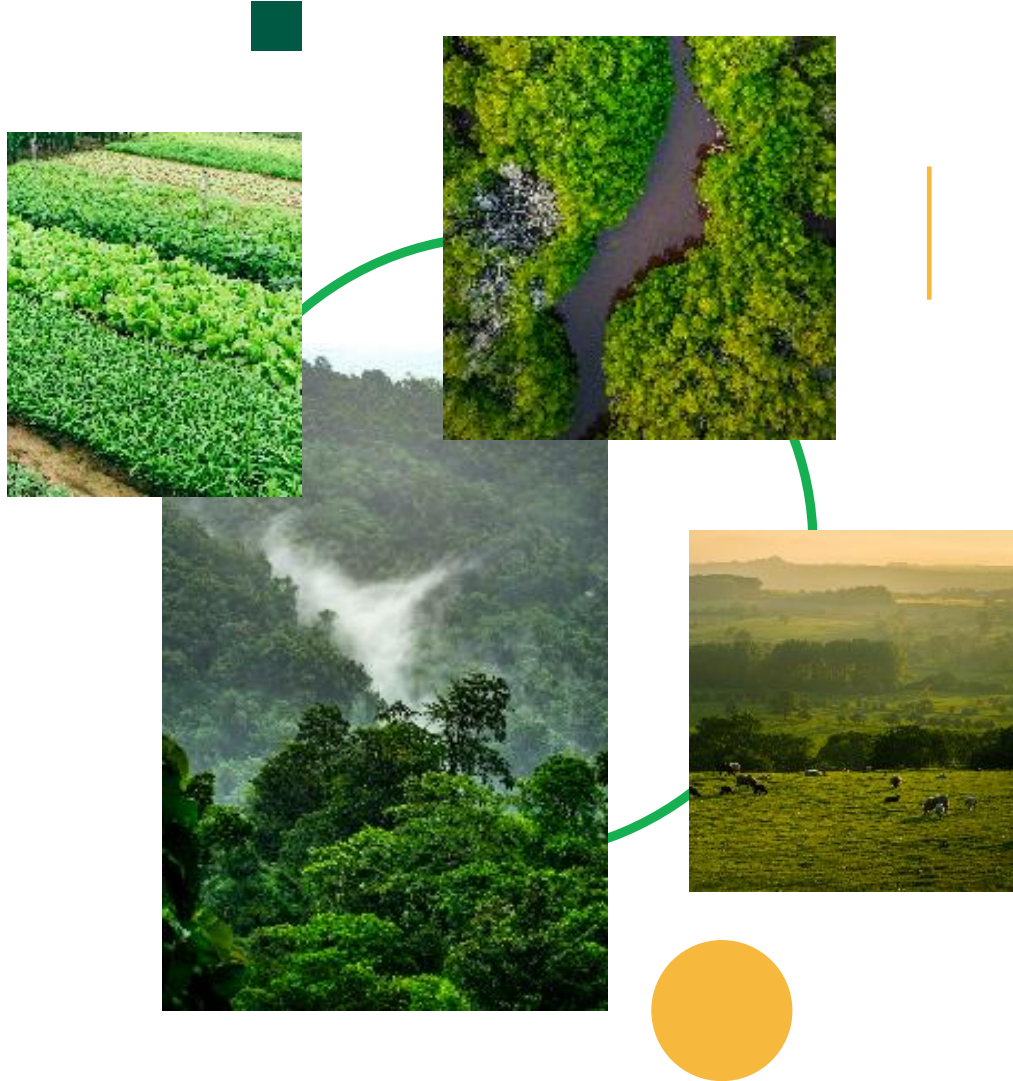
FEBRUARY 2023

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# VIDA CARBON

## OUR VISION

Establish carbon credits as an indispensable tool to combat climate change globally.

## OUR MISSION

Vida Carbon is investing in some of the best carbon projects around the world.

Our accomplished team of experts are unlocking the potential of high-quality carbon credits that create shareholder value and change the world.

We believe that a responsible, scalable future is possible. And we're just getting started.

**Vida Carbon. Life Changing.**

# WHAT MAKES VIDA UNIQUE?



## Direct exposure to carbon markets

Vida Carbon is an investment company designed to bring direct exposure to the carbon markets to its shareholders



## Proven business model

The royalty and streaming model is a proven investment strategy that maximizes value by aligning the interests of all parties alike.



## Strong market fundamentals

Voluntary carbon markets are expected to grow 20x by 2030<sup>1</sup>, carbon credit prices must increase to meet market demand.



## Growth & defined use of proceeds

\$50M can be deployed into streams and royalties for high quality carbon projects across a wide range of project types and jurisdictions.



## High quality portfolio of carbon credits

Vida is building a diversified, high-quality portfolio of carbon projects with experienced operators across the globe.



## World-class network

Vida has relationships with some of the most established origination and commercialization networks in carbon markets.

# DECARBONIZATION & CARBON MARKETS

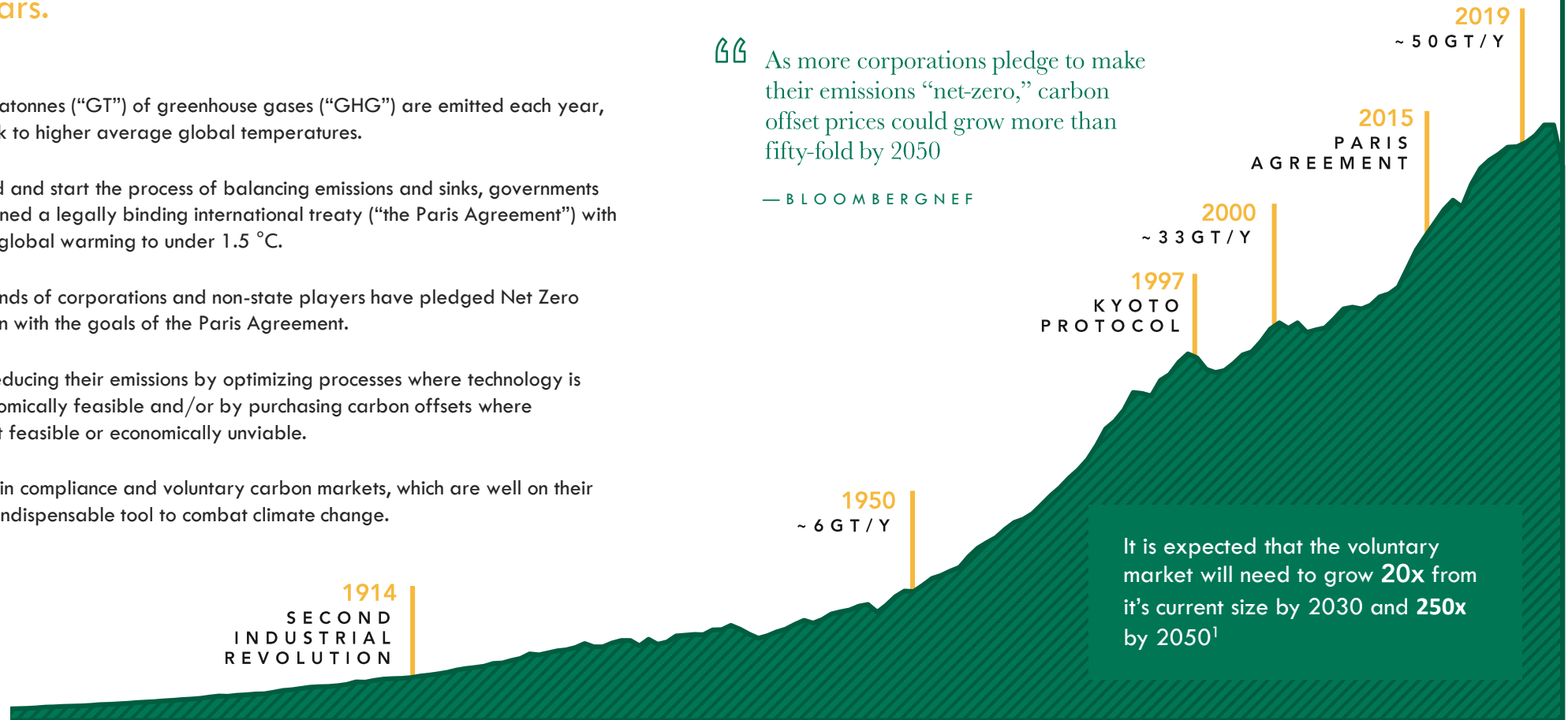
The imbalance between carbon emissions and carbon sinks has increased exponentially over the last 100 years.

- Today, over 50 gigatonnes (“GT”) of greenhouse gases (“GHG”) are emitted each year, creating a direct link to higher average global temperatures.
- To reverse this trend and start the process of balancing emissions and sinks, governments across the world signed a legally binding international treaty (“the Paris Agreement”) with the goal of limiting global warming to under 1.5 °C.
- Furthermore, thousands of corporations and non-state players have pledged Net Zero commitments to align with the goals of the Paris Agreement.
- These groups are reducing their emissions by optimizing processes where technology is available and economically feasible and/or by purchasing carbon offsets where technologies are not feasible or economically unviable.
- These offsets trade in compliance and voluntary carbon markets, which are well on their way to become an indispensable tool to combat climate change.

## TOTAL GHG EMISSIONS(CO<sub>2</sub> EQ)<sup>1,2,3</sup>

As more corporations pledge to make their emissions “net-zero,” carbon offset prices could grow more than fifty-fold by 2050

— BLOOMBERG NEF



# CARBON OFFSETS AND THE VOLUNTARY MARKETS

A carbon offset represents one tonne of CO<sub>2</sub> equivalent reduced, avoided, or removed. An offset must be generated by an eligible activity (known as a methodology) where the emission reductions are additional, permanent and have low leakage.



## ADDITIONALITY

The Project is not mandated by law and requires the economic proceeds from the sale of carbon offsets to operate. All projects must be additional to generate offsets.



## PERMANENCE

Projects must keep emissions out of the atmosphere beyond the length of the project. Strong permanence is needed for high quality offsets.



## LEAKAGE

Project activities are causing an increase of emissions in another location due to a shift in the social, economic, or environmental conditions of a community.

High-quality carbon projects create co-benefits that strengthen communities and preserve ecosystems. These co-benefits are aligned to the United Nations Sustainable Development Goals.

Carbon offsets are verified and serialized by reputable independent carbon registries. The four most established and respected registries are:

Gold Standard



## EXAMPLES OF CARBON PROJECTS



### FORESTRY AND LAND USE

Agroforestry and reforestation programs, REDD+



### RENEWABLE ENERGY

Wind energy, Solar



### HOUSEHOLD & COMMUNITY

Clean water distribution, clean cookstoves distribution



### CHEMICAL / INDUSTRIAL

Carbon capture and storage, natural refrigerant-based system



### ENERGY EFFICIENCY

Fuel switching, energy efficiency projects



### WASTE DISPOSAL

Recycling, waste gas avoidance



### AGRICULTURE

Sustainable agriculture practices, livestock methane



### TRANSPORT

Public transportation development, shipping emissions reductions



# THE VIDA CARBON TEAM

## MANAGEMENT TEAM



**Jamie  
Keech**  
EXECUTIVE  
CHAIRMAN



**Veljko  
Brcic**  
CEO and  
DIRECTOR



**Mahesh  
Liyanage**  
CFO



**Kate  
Ellis**  
VP COMMERCIAL  
STRATEGY



**Nikola  
Brcic**  
PROJECT  
MANAGER



**Jen  
Hanson**  
CORPORATE  
SECRETARY



**Priyantha  
Wijayasingha**  
CONTROLLER

## BOARD OF DIRECTORS



**Craig  
Parry**  
DIRECTOR



**David  
Cobbold**  
DIRECTOR



**Michael  
Konnert**  
DIRECTOR

# INVESTMENT STRATEGY



## BALANCED PORTFOLIO

Portfolio crafted to include a diversity of:

- Methodologies
- Registries
- Geographies
- Project stages



## MORE THAN JUST AN INVESTOR

Support of project developers and operators during:

- Development
- Implementation
- Monitoring
- Commercialization of offsets



## TRUSTED EXPERTISE

Disciplined decision making:

- Detailed and Effective Due Diligence
- Technical Analysis
- Investment structuring
- Offset commercialization analysis



## PRICED TO WIN

Accurately priced investments on project-by-project basis:

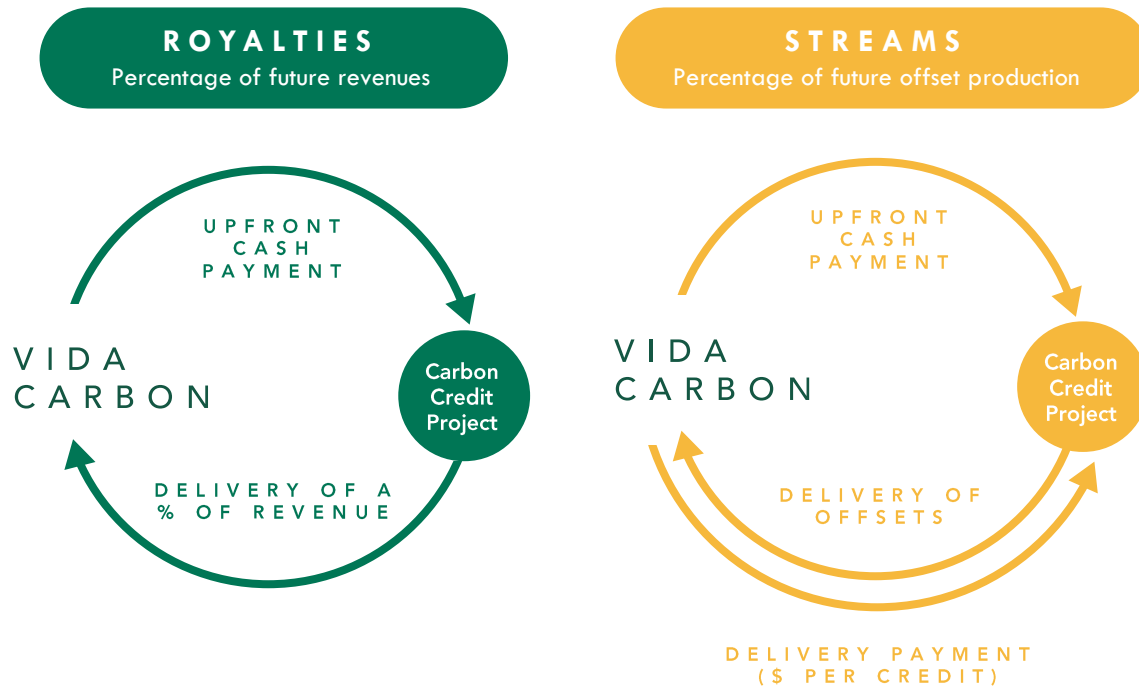
- Real-time-data allows for proper valuation and pricing
- Built-in upside and scalability



# VIDA CARBON'S INVESTMENTS STRATEGY

Vida Carbon's primary objective is to build a portfolio of high-quality, long-life carbon offset projects that provide both robust climate mitigation and positive environmental, social and economic outcomes.

## INVESTMENT STRUCTURES



## INVESTMENT MANDATE

Every investment is defined by three principles:

1. Vida Carbon invests in long-term yielding assets that provide direct leverage to carbon prices.
2. Vida Carbon minimizes operating risk by reducing exposure to projects' operating costs.
3. Vida Carbon's portfolio includes royalties and streams diversified across project types, geographies and development stages.

# VIDA CARBON IS MORE THAN JUST AN INVESTMENT COMPANY

We build relationships with project developers throughout the entire life-cycle of a project

Vida Carbon spends considerable time researching the specific needs of each project developer. Our investments are tailored to meet those specific needs.

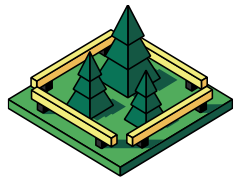
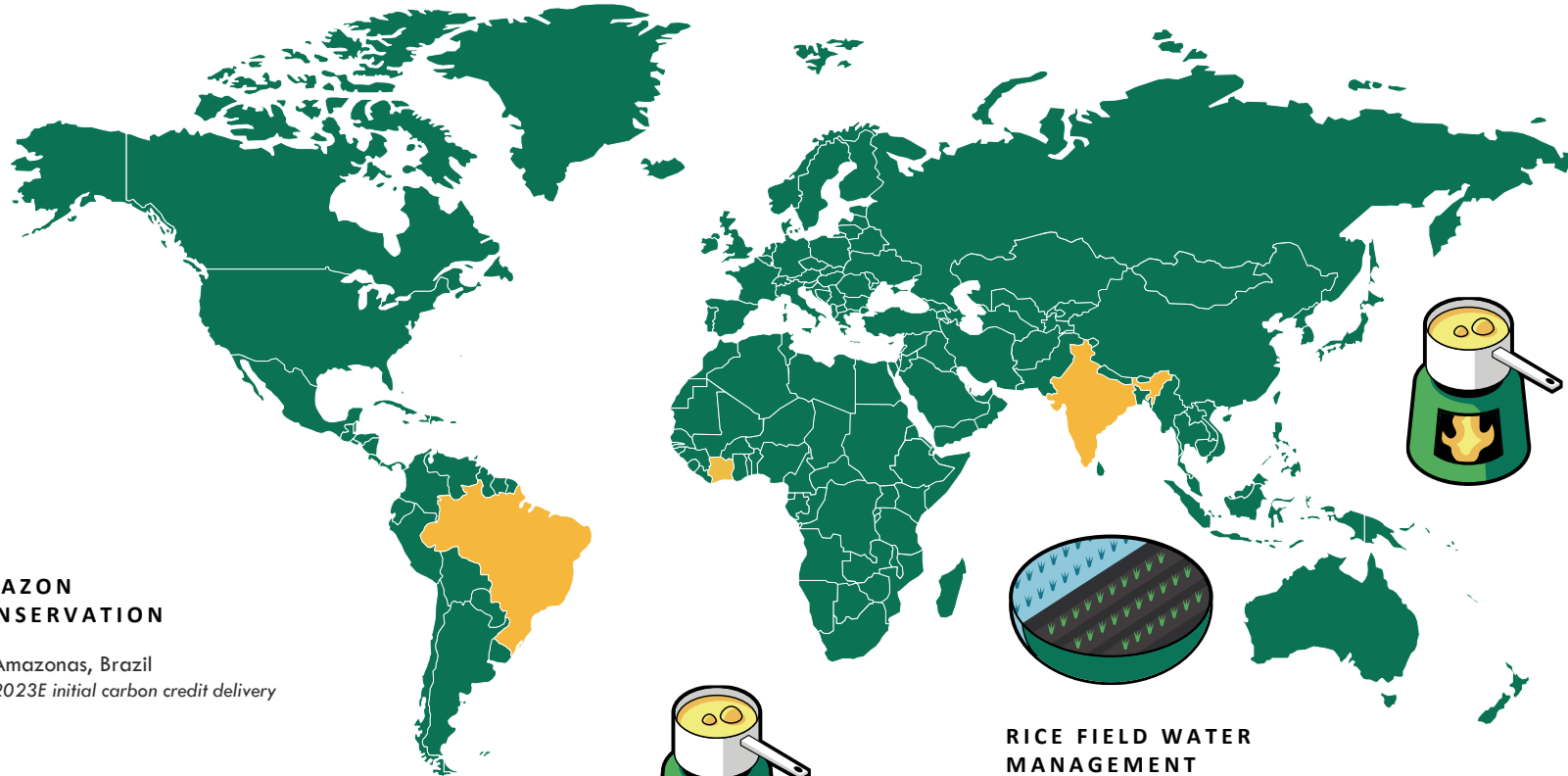
We understand that carbon offset projects require a long-term relationship between two or more parties, and therefore align our success to the success of developers and communities.

Vida Carbon works with developers to optimize the project at each stage, working to maximize offset volumes, price and speed of issuance.





# CURRENT VIDA CARBON PORTFOLIO



## AMAZON CONSERVATION

- Amazonas, Brazil
- 2023E initial carbon credit delivery



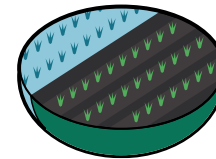
## IMPROVED EFFICIENCY COOKSTOVES

- Western Region, Ghana
- 2023E initial carbon credit delivery



## IMPROVED EFFICIENCY COOKSTOVES

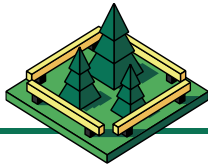
- Odisha, India
- 2024E initial carbon credit delivery



## RICE FIELD WATER MANAGEMENT

- Telangana, India
- 2023E initial carbon credit delivery

# CURRENT PORTFOLIO OVERVIEW



**AMAZONIA**  
BRAZIL

**AMAZON CONSERVATION**

PHASE 1

**19K** HECTARES OF PROTECTED LAND IN THE AMAZONIAN BASIN

2.0M CARBON CREDITS

PHASE 2

**100K** HECTARES OF PROTECTED LAND IN THE AMAZONIAN BASIN

9.0M CARBON CREDITS

- 10 UN Sustainable Development Goals
- Experienced operator in REDD+ conservation projects



**ODISHA**  
INDIA

**IMPROVED EFFICIENCY COOKSTOVES**

PHASE 1

**300K** COOKSTOVES TO BE DISTRIBUTED

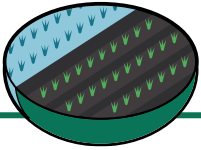
6.0M CARBON CREDITS

PHASE 2

**700K** COOKSTOVES TO BE DISTRIBUTED

14.1M CARBON CREDITS

- 9 UN Sustainable Development Goals
- 2.2M carbon credits over project life (50 & 25% royalty)



**TELANGANA**  
INDIA

**RICE FIELD WATER MANAGEMENT**

PHASE 1

**100K** HECTARES OF AGRICULTURAL RICE LAND MANAGED

6.3M CARBON CREDITS

PHASE 2

**400K** HECTARES OF AGRICULTURAL RICE LAND MANAGED

25.2M CARBON CREDITS

- 6 UN Sustainable Development Goals
- 2M carbon credits over project life (32.5% Royalty)



**WESTERN REGION**  
GHANA

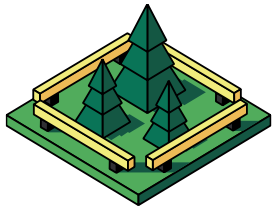
**IMPROVED EFFICIENCY COOKSTOVES**

PROJECT

**100K** COOKSTOVES TO BE DISTRIBUTED

1M CARBON CREDITS

- 7 UN Sustainable Development Goals



# AMAZONAS, BRAZIL

AMAZON RIO - EBCF



## THE PROJECT

Amazon Rio is a forest conservation project that protects 18,559 hectares (ha) of rainforest in the state of Amazonas, Brazil. The project is located in a former authorized logging concession that was reclassified as the largest private reserve in Brazil. A total of 5,429 ha of rainforest were deforested before logging operations ceased.

## THE DEVELOPER

EBCF is a conservation company with a mission to preserve the Amazon rainforest, protect biodiversity, promote the sustainable development of traditional and riverside communities, and fight climate change. EBCF is part of the AmaGroup.

## THE INVESTMENT

Vida Carbon has acquired 20% of the future production of Amazon Rio I (Phase 1) and is currently finalizing terms and land area for Amazon Rio II (Phase 2).

<b>Operator</b>	Empresa Brasileira de Conservação de Florestas
<b>Project Type</b>	Conservation of Amazon Rainforest (REDD+)
<b>Location</b>	Manicoré, Amazonas, Brazil
<b>Methodology</b>	VM0011 ( <a href="#">Verra 1147</a> )
<b>UN SDGs</b>	
<b>Partnership Goal</b>	Secure, in the next 5 years, the protection of 500k hectares of tropical rainforest in Brazil
<b>Status</b>	Phase 1 In production, Phase 2 in development

## TOTAL EXPECTED PRODUCTION

### Current Phase

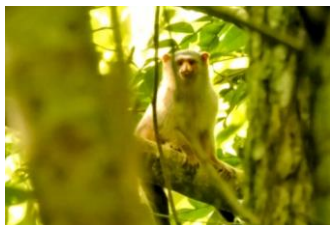
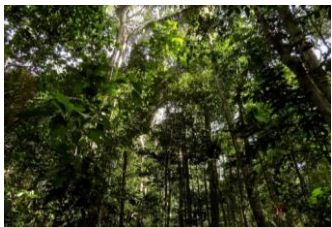
~2M

Carbon Offsets

### Next Phase

~6-12M

Additional 25-100k hectares of protected land





# GHANA

## IMPROVED EFFICIENCY COOKSTOVES - AERA



### THE PROJECT

This project is distributing improved energy efficiency cookstoves to families in 10 administrative regions of Ghana. Almost three-quarters of households in Ghana employ traditional open fire stoves for cooking, which produce significant greenhouse gas emissions and expose families to high concentrations of toxic fumes. The improved cookstoves provided by Vida Carbon and Aera reduce energy loss and generate heat more efficiently.

<b>Operator</b>	AERA
<b>Project Type</b>	Improved Energy Efficiency
<b>Location</b>	Western Region, Ghana
<b>Methodology</b>	AMS-II.G ( <a href="#">GS 1385</a> )

### UN SDGs



<b>Partnership Goal</b>	Financing subsequent phases of cookstove distribution in other regions of Ghana.
<b>Status</b>	Deployment accomplished

### TOTAL EXPECTED PRODUCTION

#### Current Phase

# ~1M

Carbon Offsets

#### Distribution

# 100k

Improved Efficiency Cookstoves ("ICS")

Gold Standard

aera

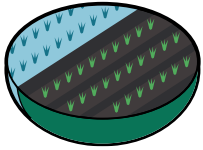
### THE DEVELOPER

Based in France, AERA is the largest independent carbon financing group in Africa. Since founding in 2015, AERA has achieved a strong track record of successful project implementation driven by their mission to facilitate and accelerate the climate transition in Africa through carbon offsets. They are a world leader in the development of carbon offsets with a €550m portfolio.

### THE INVESTMENT

Vida Carbon has acquired the right to purchase the first 1 million offsets generated from this project.





# TELANGANA, INDIA

## IMPROVED WATER MANAGEMENT OF RICE FIELDS - CCX



### THE PROJECT

Rice cultivation is responsible for 8-12% of methane generated by human activity. This project will train farmers in sustainable water management best practices and equip them with the tools necessary to optimize water usage in their fields. Reducing the days when fields remain flooded lowers the rate of decomposition of organic material, significantly reducing methane emissions.

### THE DEVELOPER

Core CarbonX (CCX) is a climate and sustainability consulting firm involved in implementing, advising, and marketing dozens of emission reduction projects across Asia and Africa, including renewables, habitat restoration, afforestation, methane reduction in rice plantations, and improved energy efficiency cookstove distribution.

### THE INVESTMENT

Vida Carbon will receive between 25% and 35% of the carbon offsets generated from the project subject to market prices at time of serialization.

<b>Operator</b>	Core CarbonX Pvt. Ltd.
<b>Project Type</b>	Improved Agricultural Practices
<b>Location</b>	Telangana, India
<b>Methodology</b>	AMS.III.AU (Verra 3243)
<b>UN SDGs</b>	     
<b>Partnership Goal</b>	CCX and Vida aim to reduce methane emissions from 1 million hectares of farmland across India
<b>Status</b>	Implementation

### TOTAL EXPECTED PRODUCTION

#### Current Phase

~6.2M

Carbon Offsets

#### Next Phase

~25M

Carbon Offsets





# EASTERN REGION, INDIA

THE CORE CARBON - CCX



## THE PROJECT










This project is distributing 300,000 improved energy efficiency cookstoves to families in rural villages in Odisha, India. Cooking in this region is traditionally done on open fire stoves that expose families to high concentrations of toxic fumes while producing significant greenhouse gas emissions. The improved cookstoves reduce energy loss and generate heat more efficiently.

## THE DEVELOPER

Core CarbonX (CCX) is a climate and sustainability consulting firm involved in implementing, advising, and marketing dozens of emission reduction projects across Asia and Africa, including renewables, habitat restoration, afforestation, methane reduction in rice plantations, and improved energy efficiency cookstove distribution.

## THE INVESTMENT

Vida Carbon will receive 50% of offsets generated until a fixed number of offsets is reached, then reducing to 25% of subsequent offsets generated.

<b>Operator</b>	Core CarbonX Pvt. Ltd.
<b>Project Type</b>	Improved Energy Efficiency
<b>Location</b>	Odisha and Jharkhand, India
<b>Methodology</b>	VMR0006 (Verra 3240)
<b>UN SDGs</b>	        
<b>Partnership Goal</b>	CCX and Vida Carbon aim to distribute 1 million improved efficiency cookstoves
<b>Status</b>	Cookstove deployment

## TOTAL EXPECTED PRODUCTION

### Current Phase

~4.6M

Carbon Offsets

### Next Phase

~14M

Carbon Offsets





# EXPECTED RETAINED OFFSETS

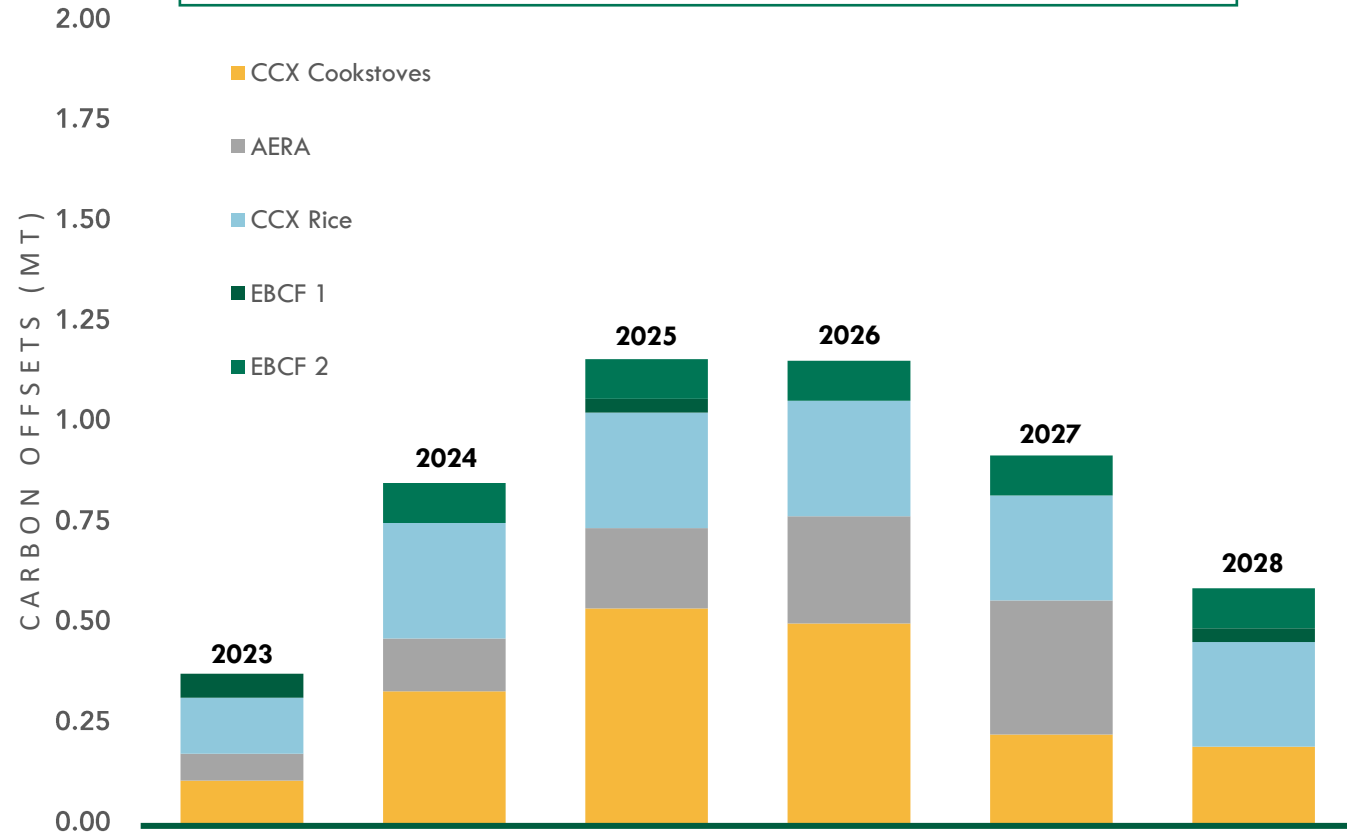
Vida Carbon's current portfolio provides a strong foundation to rapidly scale offset cashflows and provide value to investors

Vida Carbon will receive the first issuance of credits in H1 2023 and expects three additional projects to begin production in H2 2023.

At full production, Vida Carbon's portfolio will receive approximately 1.5M high-quality carbon offsets per year.

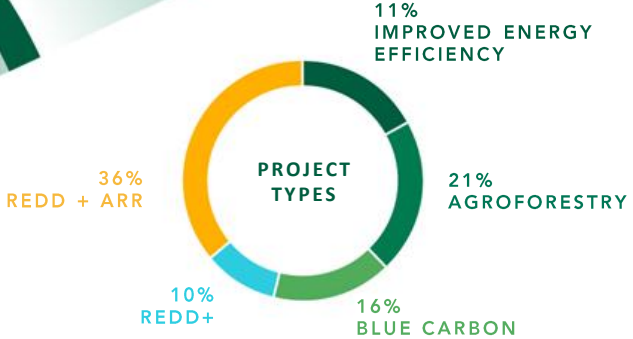
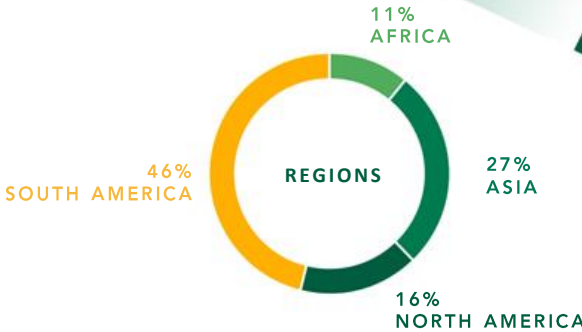
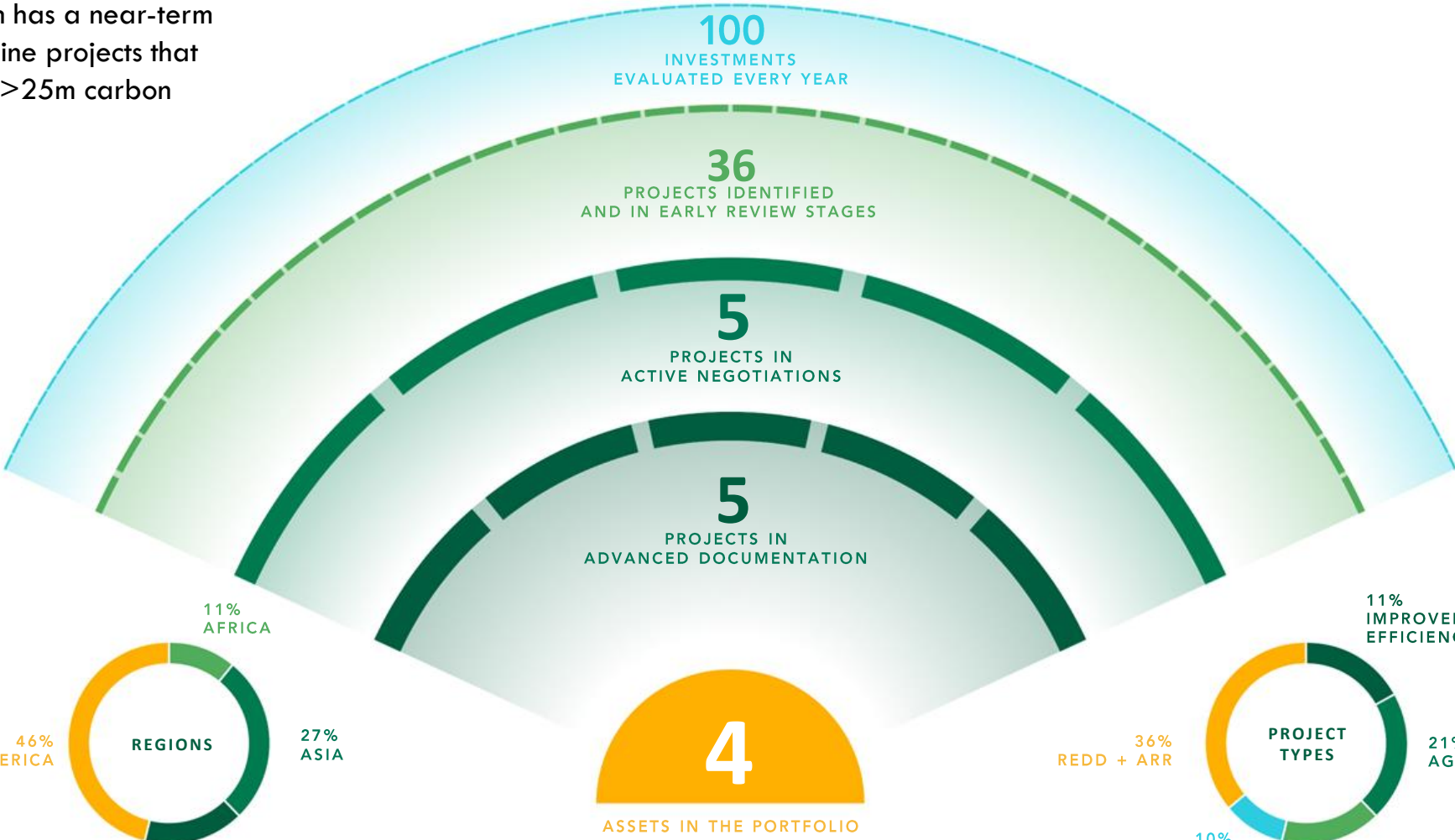
The current portfolio is expected to over 30M carbon offsets throughout the life of the projects.

## ESTIMATED ATTRIBUTABLE ANNUAL OFFSETS



# OUR INVESTMENT PIPELINE

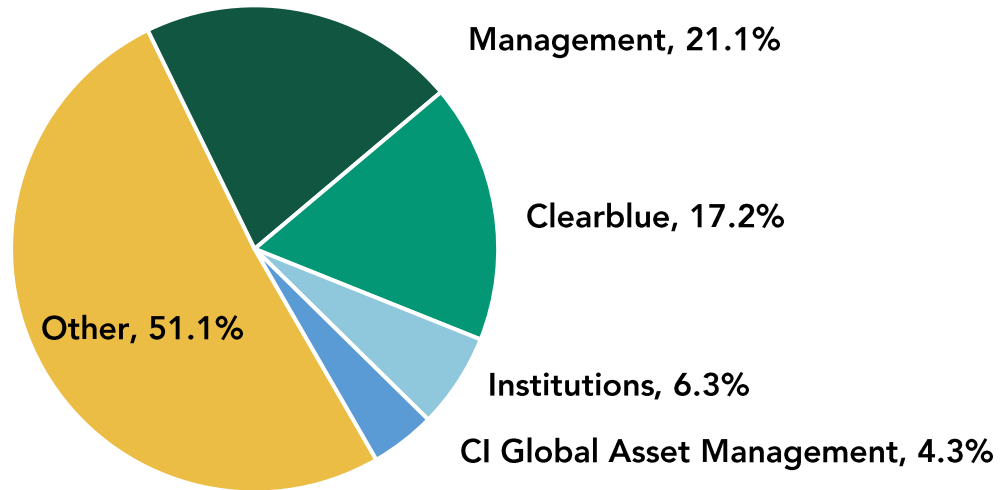
Vida Carbon has a near-term pipeline of nine projects that would bring >25m carbon offsets





# CAPITALIZATION AND OFFERING TERMS

## OWNERSHIP



## SHARE STRUCTURE

Shares Outstanding	M	63.9
Share Price <sup>1</sup>	\$	\$1.00
Market Cap. <sup>1</sup>	\$M	\$63.9
Cash Balance	\$M	\$13.5

## SHARES<sup>2</sup>

(#)

10,000,000  
 17,210,000  
 7,459,508  
 20,216,730

## ESCROW CONDITIONS

3 Years  
 3 Years  
 Exchange Imposed  
 TBD/4-Month Hold

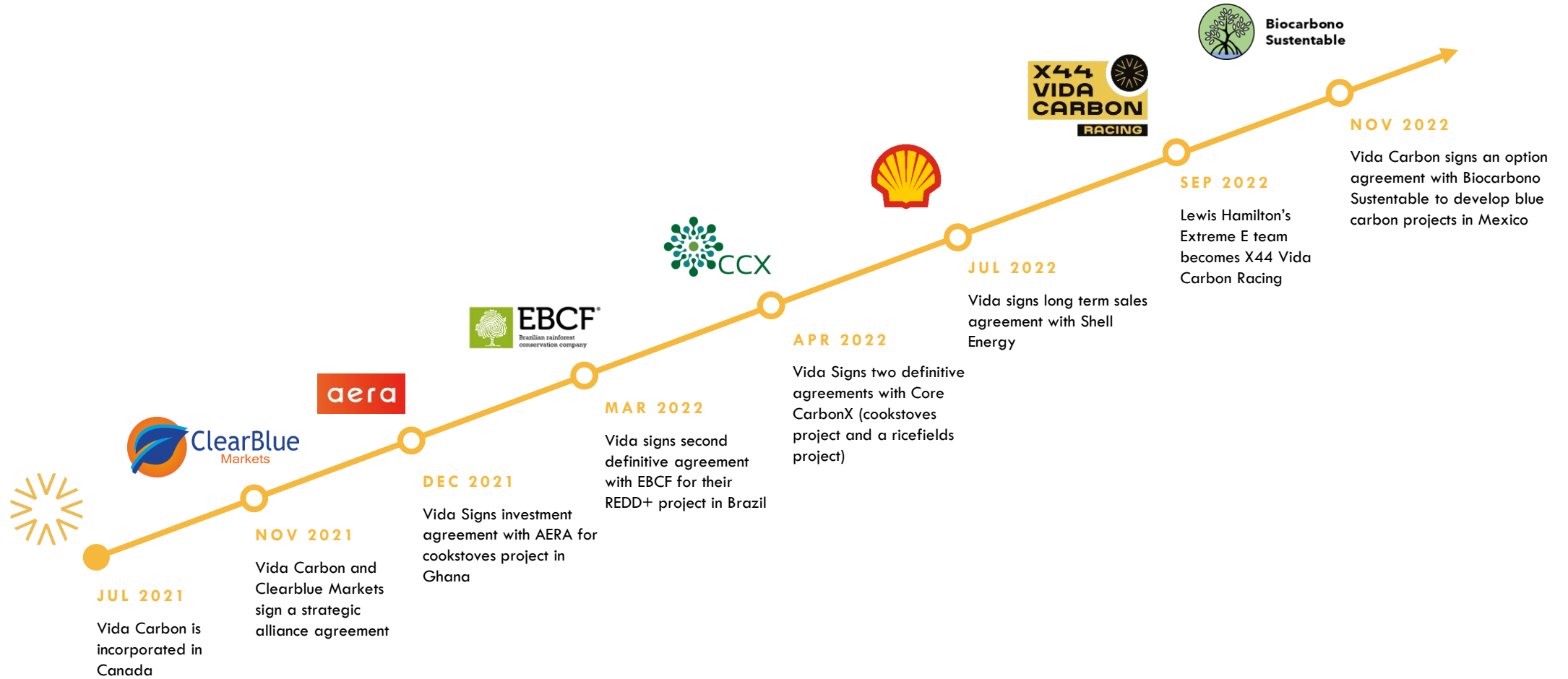
<sup>1</sup>: Assumed before carrying out the current offering

<sup>2</sup>: Excludes 6,000,000 performance shares issued to management, all of which have been converted into common shares upon the successful achievement of pre-defined milestones.

## MAJOR SHAREHOLDERS



# A BRIEF HISTORY OF VIDA CARBON



# WHY VIDA CARBON?



## MARKET

Exposure to a market poised to grow several orders of magnitude from its current size.



## TEAM

A dedicated and experienced team with expertise in carbon, capital markets and finance.



## ASSETS

Access to a high-quality portfolio with clear use of proceeds and a strong advanced pipeline to swiftly deploy capital into high yield assets.



# VIDA CARBON



[INFO@VIDACARBON.COM](mailto:INFO@VIDACARBON.COM)



VANCOUVER, CANADA

## FORWARD LOOKING STATEMENTS

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The following summary is subject to the express provisions of the applicable securities laws, regulations and rules, and reference is made thereto to the complete text of such provisions. Such provisions may contain limitations and statutory defenses not described here on which the Company and other applicable parties may rely. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.

The following is a summary of rights of rescission or damages, or both, available to purchasers resident in the province of Ontario, New Brunswick, Nova Scotia and Saskatchewan. If there is a misrepresentation herein and you are a purchaser under securities legislation in Ontario, New Brunswick, Nova Scotia and Saskatchewan you have, without regard to whether you relied upon the misrepresentation, a statutory right of action for damages, or while still the owner of the securities, for rescission against the Company. This statutory right of action is subject to the following: (a) if you elect to exercise the right of action for rescission, you will have no right of action for damages against the Company; (b) except with respect to purchasers resident in Nova Scotia, no action shall be commenced to enforce a right of action for rescission after 180 days from the date of the transaction that gave rise to the cause of action; (c) except with respect to purchasers resident in Nova Scotia, no action shall be commenced to enforce a right of action for damages after the earlier of (i) 180 days (with respect to purchasers resident in Ontario) or one year (with respect to purchasers resident in Saskatchewan and New Brunswick) after you first had knowledge of the facts giving rise to the cause of action and (ii) three years (with respect to purchasers resident in Ontario) or six years (with respect to purchasers resident in Saskatchewan and New Brunswick) after the date of the transaction that gave rise to the cause of action; (d) with respect to purchasers resident in Nova Scotia, no action shall be commenced to enforce a right of action for rescission or damages after 120 days from the date on which payment for the securities was made by you; (e) the Company will not be liable if it proves that you purchased the securities with knowledge of the misrepresentation; (f) in the case of an action for damages, the Company will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentations; and (g) in no case will the amount recoverable in such action exceed the price at which the securities were sold to you.

The foregoing is a summary only and is subject to the express provisions of the Securities Act (Ontario), the Securities Act (New Brunswick), the Securities Act (Nova Scotia) and the Securities Act (Saskatchewan), and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. Such provisions may contain limitations and statutory defenses on which the Company may rely.

In Manitoba, the Securities Act (Manitoba), in Newfoundland and Labrador the Securities Act (Newfoundland and Labrador), in Prince Edward Island the Securities Act (PEI), in Yukon, the Securities Act (Yukon), in Nunavut, the Securities Act (Nunavut) and in the Northwest Territories, the Securities Act (Northwest Territories) provide a statutory right of action for damages or rescission to purchasers resident in Manitoba, Newfoundland, PEI, Yukon, Nunavut and Northwest Territories respectively, in circumstances where this presentation or an amendment hereto contains a misrepresentation, which rights are similar, but not identical, to the rights available to Ontario purchasers.

By purchasing securities offered in connection with this presentation, purchasers in Alberta, British Columbia and Quebec are not entitled to the statutory rights described above. In consideration of their purchase of the securities offered in connection with this presentation and upon accepting a purchase confirmation in respect thereof, these purchasers are hereby granted a contractual right of action for damages or rescission that is substantially the same as the statutory right of action provided to residents of Ontario who purchase the securities offered in connection with this presentation.

The statutory right of action described above is in addition to and without derogation from any other right or remedy which purchasers may have at law.

# RISK FACTORS

In evaluating the proposed investment in the Company, investors should carefully consider the information included in this presentation as well as the following risk factors relating to the offering and the business of the Company. These risk factors are not a definitive list of all risk factors associated with the offering and the business of the Company. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect the securities and/or the business of the Company. The following are risk factors which investors should carefully consider before making an investment decision.

The acquisition of any of the securities of the Company is speculative, involving a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment.

## **Risks relating to the Company's Business, Industry and Operating Environment**

### Dependence on Key Management and Business Partners

The Company is dependent on the availability/commitment of its key management and business partners, whose contributions to immediate and future operations of the Company are of significant importance. From time to time, the Company will also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons experienced in carbon markets is limited and competition for such persons can be intense. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of such success. If the Company is not successful in attracting, training and retaining qualified personnel or continuing its business partnerships, the Company's ability to execute its business model and growth strategy could be affected.

### Strategic Risks

The success of the Company's activities will depend on management's ability to implement its strategy and on the availability of opportunities related to carbon offsets. Although management is optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved and there is no certainty that the Company will successfully make profitable acquisitions of carbon credits, streams, royalties, or other interests. In particular, its future growth and prospects will depend on its ability to expand its portfolio of investments while at the same time maintaining effective cost controls. The Company has sought and will continue to seek to invest in businesses or investments related to carbon credits. In pursuit of such opportunities, the Company may fail to identify or select appropriate investment targets, or negotiate acceptable definitive arrangements, including arrangements to finance the investments. The Company may be unable to identify or select appropriate investment targets in the numbers or at the pace it currently expects for a variety of reasons. In addition, market opportunity estimates and growth strategies are subject to uncertainty and are based on assumptions and estimates that may not prove to be accurate, and as such the estimates of growth included in this presentation may prove to be inaccurate and may not be indicative of future growth.

### Concentration Risk

Given the concentration of the Company's exposure to carbon credits, the Company's investment portfolio will be susceptible to adverse economic or regulatory occurrences affecting carbon credits and carbon markets. While the Company's intention is to enter into stream and/or royalty arrangements and other investments with exposure to a wide variety of projects and business opportunities relating to carbon credits, it will take significant time to attain such diversification. Until diversification is achieved, the Company will continue to have a significant portion of its assets dedicated to a small number of carbon credit projects, and businesses or investments related to carbon credits.

### Fluctuation in Price and Demand of Carbon Credits

Carbon credit prices depend on a variety of external factors that are out of the Company's control. There can be no assurance that continual fluctuations in the price of carbon credits will not occur. In addition, carbon credits are traded in both the compliance and voluntary markets and the price for a carbon credit varies according to not only the market on which it is traded, but also according to its type, location, vintage, accreditation and additional social and environmental attributes. It is likely that the market price for the Company's carbon credits will be subject to market trends generally.

The demand for, and the market price of, carbon credits can be adversely affected by any number of factors, including: social factors; regulatory regimes; implementation of lower greenhouse gas emitting infrastructure; increase in projects generating carbon credits; technological advancements; use of alternative fuels; decrease in the price of conventional fossil fuels; increased use of renewable energy; and the implementation and operation of carbon pricing initiatives. There can be no assurance that carbon pricing initiatives carbon markets will continue to exist. Carbon pricing initiatives may be subject to policy and political changes and, may otherwise be diminished, terminated or may not be renewed upon their expiration.

### Lack of Liquidity and High Volatility of Carbon Markets

Carbon markets are still evolving and there are no assurances that the carbon credits purchased or generated by the Company will find a market. The carbon credit markets have experienced a high level of price and volume volatility. There may be a lack of liquidity for the purchase or sale of carbon credits and the Company may not be able to purchase or sell the volume of carbon credits it desires in a timely manner or at an attractive price.

### Risks associated with Carbon Credits and Markets

In seeking to acquire and grow a diversified and high-quality portfolio of streams, royalties and other investments in projects that generate carbon credits over the long term, the Company's intention is to have all such project(s) validated through a compliance market or by an internationally recognized carbon credits standards body in the voluntary market. Any actual or proposed changes to international carbon standards or verification requirements and/or the implementation of any national or international laws, treaties or regulations by governmental entities and/or any adverse changes to existing governmental policies with respect to carbon credits may result in a material and adverse effect on the Company's profitability, results of operation and financial condition.

Regulatory risk related to changes in regulation and enforcement can adversely affect market behavior. If fines or other penalties for non-compliance are not enforced, incentives to purchase carbon credits will deteriorate, which can result in a fall in the price of carbon credits and a drop in the value of the Company's assets.

### Environmental Risks relating to Carbon Projects

The projects that the Company enters into streaming and/or royalty agreements over and/or otherwise invests in to generate carbon credits are subject to risks associated with natural disasters, which natural disasters could result in temporary or permanent damage to, or destruction of, projects that generate carbon credits. Any such natural disasters could impact the ability of the Company's counterparties to deliver carbon credits to the Company and therefore adversely affect the viability of any of the Company's investments in such projects, and may result in a material and adverse effect on our profitability, results of operations and financial condition.

### Underlying Scientific Principles are Subject to Debate

Carbon pricing initiatives and carbon credits have arisen primarily due to scientific evidence indicating a correlative relationship between the rise in global temperatures and extreme weather events, on the one hand, and the rise in greenhouse gas emissions in the atmosphere, on the other hand. Failure to maintain scientific consensus, may negatively affect the value of carbon credits.

### Technological Advancements

New technologies may arise that may diminish or eliminate the need for carbon markets. Ultimately, the price of carbon credits is determined by the cost of actually reducing emissions levels. If the price of credits becomes too high, it will be more economical for companies to develop or invest in lower emission technologies, thereby suppressing the demand and adversely affecting the price.

### Carbon Trading may Become Obsolete

Carbon trading is regulated by specific jurisdictions pursuant to regional legislation or can be voluntary. When regulated, governments compel emitters to reduce their greenhouse gas emissions through technological improvements or through the purchase of carbon credits. It is an identified risk factor that new legislation may arise in certain jurisdictions that may render the Company's business plan and knowledge obsolete with respect to carbon credits. With respect to the voluntary trade of carbon credits, there is a significant risk that certain voluntary purchasers of carbon credits may elect to cease the purchase of carbon credits for various reasons that are inherent to their business plans, or because of changing economic, political contexts or other conditions that cannot be controlled by the management of the Company.

### Impact of the COVID-19 Pandemic

The COVID-19 pandemic and the measures attempting to contain and mitigate the effects of the virus (including travel bans and restrictions, quarantines, shelter-in-place orders, shutdowns and restrictions on trade) have caused heightened uncertainty in the global economy. In particular, travel restrictions have impacted, and continue to impact, the timing of validation and verification deadlines for certifying organizations, which could delay the timing of delivery of carbon credits to the Company. In addition, the COVID-19 pandemic has had and may continue to have impacts on our ability to source, evaluate, and visit investment opportunities, and on the development, management and operation of carbon credit projects by third parties. It is difficult to predict how significant the longer-term impacts of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business. Since the impact of COVID-19 is ongoing, the effect of the COVID-19 pandemic and the related impact on the global economy may not be fully reflected in our results of operations until future periods. To the extent that the COVID-19 pandemic harms our business and results of operations, many of the other risks described in this "Risk Factors" section may also be heightened.



# RISK FACTORS (CONT)

## Foreign Operation and Political Risk

The Company's investments may be focused in a particular country, countries, or region and therefore may be susceptible to adverse market, political, regulatory, and geographic events affecting that country, countries or region. Risks the Company may face with respect to any country where current or future streams or investments of the Company may be located, include: unforeseen government actions; acts of god; terrorism; hostage taking; military repression; general economic fluctuation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, export controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or other events.

## Competition

There are many organizations that are buyers of carbon credits, or rights to or interest in carbon credits, and there is currently a limited supply of carbon credits, projects to generate future carbon credits and investment opportunities in carbon credits. Many competitors are larger, more established companies with substantial financial resources, operational capabilities and long track-records in carbon markets. The Company may be at a competitive disadvantage in investing in carbon projects, acquiring carbon credits or interests in carbon credits, whether by way of purchases in carbon markets, streams, royalties or other forms of investment, as many competitors have greater financial resources and technical staffs. Accordingly, there can be no assurance that we will be able to compete successfully against other companies in building a portfolio of carbon credits and carbon credit related investments.

## Due Diligence Risks

Before making any decision, the Company will conduct, or have independent consultants or business partners conduct, due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each acquisition, investment or streaming/royalty arrangement. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, environmental, financial, tax, accounting, regulatory, technical and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an acquisition, investment or streaming/royalty arrangement, the Company relies on resources available, including information provided by the target of the acquisition or investment, the party(ies) to the streaming/royalty arrangement and, in some circumstances, third party investigations. The due diligence process undertaken by the Company in connection with acquisitions, investments or streaming/royalty arrangements that it undertakes or wishes to undertake, may not reveal all relevant facts in connection with an acquisition, investment or streaming/royalty arrangement. The inability of the Company or third parties to identify business risks relating to investments of the Company may have a material adverse effect on the Company's profitability, results of operation and financial condition.

## Rights of and Dependence on Third Parties

The Company is party to various contracts related to the purchase, production and sale of carbon credits. Carbon credits received by the Company are derived from projects that are operated by third parties. These third parties will be responsible for determining the manner in which the relevant properties are developed, operated and managed, including decisions that could expand, continue or reduce the number of carbon credits generated from a property or an asset. As a holder of streams, royalties or other interests, the Company may have little or no input on such matters. The interests of third parties and those of the Company on the relevant properties or assets may not always be aligned. The inability of the Company to control the operations for the properties or assets in which it has a stream, royalty or other interest may have a material adverse effect on the Company's profitability, results of operation and financial condition.

## Title Risk

To the extent that the Company acquires direct interests in real property or assets, the Company will be subject to risks associated with ownership to title of any such or asset(s). Although title reviews will be done according to industry standards prior to the purchase of or investment in any property or asset, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat a claim of the Company. Clear title to carbon credits may also be difficult to establish with absolute certainty in all cases. In addition, agreements may contain terms regarding ongoing obligations and commitments that, if not fulfilled by the Company, can result in the forfeiture of the agreement with the property or asset owners or the payment of compensation.

## Insurance Risk

In light of the novelty of the carbon credit industry, the Company cannot give any assurances that insurance coverage for some or all of the risks of loss in the carbon credit industry will be available on commercially reasonable terms or at all. To the extent such insurance is available, the Company can give no assurances that it will continue to be available on commercially reasonable terms, that all events that could give rise to a loss or liability are insured or reasonably insurable or that its insurers would be capable of honouring their commitments if an unusually high number of claims were made against their policies. Certain losses, including certain environmental liabilities and business interruption losses, are not ordinarily covered by insurance.

## Permits and Licenses

The Company may acquire a property or an interest in a property with the intent to generate carbon credits from activities on that property. These future activities of the Company may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to carry out development of its carbon offset projects on any future properties.

## General Economic Conditions

Adverse events in global financial markets can have profound impacts on the global economy. Many industries and markets, including the carbon markets, are impacted by these market conditions. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and carbon markets and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and valuation. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity; the volatility of carbon credit prices would impact our revenues, profits, losses, cash flow and the value of our carbon credit holdings; and continued recessionary pressures could adversely impact demand for carbon credits and related investments. These factors could have a material adverse effect on our financial condition and operating results.

## Foreign Exchange Rates

Carbon credits are typically purchased in U.S. currency. Fluctuation in the U.S. currency exchange rate relative to the Canadian currency could negatively impact the value of the Company's securities. Investment in carbon credits and/or equity securities denominated in a currency other than Canadian currency will be affected by the changes in the value of the Canadian dollar in relation to the value of the currency in which the carbon credit or security is denominated. Because exchange rate fluctuations are beyond the Company's control, there can be no assurance that such fluctuations will not have an adverse effect on the Company's operations or on the trading value of its securities.

## Future Acquisitions

As part of our business strategy, we may seek to grow by acquiring companies and/or assets or establishing joint ventures that we believe will complement our current or future business. Acquisition transactions involve inherent risks, including but not limited to: accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates; ability to achieve identified and anticipated operating and financial synergies; unanticipated costs; diversion of management attention from existing business; potential loss of our key employees or key employees of any business acquired; unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and decline in the value of acquired assets, companies or securities. Any one or more of these factors or other risks could cause us not to realize the anticipated benefits of an acquisition of assets or companies and could have a material adverse effect on our financial condition. We may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. We cannot guarantee that we can complete any acquisition we pursue on favourable terms, or that any acquisitions completed will ultimately benefit our business.

# RISK FACTORS (CONT)

## Regulatory Changes

We may be affected by changes in regulatory requirements, customs, duties or other taxes in the jurisdictions in which we operate. Such changes could, depending on their nature, benefit or adversely affect the Company. The costs associated with legal compliance may be substantial. In addition, possible future laws and regulations, changes to existing laws and regulations (including the imposition of higher taxes which have been, or may be, implemented or threatened) or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of projects generating carbon credits and planned operations and delays in the development of projects generating carbon credits. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety impacts of the operations of the projects generating carbon credits. Failure to comply with laws and regulations by the Company or by the operators of projects in which it invests could lead to financial restatements, fines, penalties, loss, reduction or expropriation of entitlements, the imposition of additional local or foreign parties as joint venture partners with carried or other interests and other material negative impacts.

## Litigation

The Company may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent grantors of streams, royalties and other interests do not abide by their contractual obligations, the Company may be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly, and as with all litigation, no guarantee of success can be made. If such disputes arise and we are unable to resolve these disputes favorably, it may have a material and adverse effect on the Company's profitability, results of operations and financial condition.

## Conflicts of Interest

Certain of the Company's directors may also serve as directors or officers, or have significant shareholdings in, other companies involved in carbon credits or the carbon markets and, to the extent that such other companies may participate in ventures or markets in which the Company may participate in, or in ventures or markets which the Company may seek to participate in, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where directors and officers have an interest in other companies, such other companies may also compete with us for the acquisition of carbon credits, streams, royalties or other investments. Such conflicts of the directors and officers may result in a material adverse effect on our profitability, results of operation and financial condition.

## Risks Related to the Securities of the Company

### Loss of Entire Investment

An investment in the securities of the Company is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

### Resale of Securities and Liquidity

There is currently no market through which the securities of the Company may be sold and purchasers may not be able to resell those securities. There can be no assurance that an active and liquid market for securities of the Company will develop or be maintained.

### Dilution

The Company may find it necessary in the future to obtain additional debt or equity financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms acceptable to the Company. The Company's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Company's growth and could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows, as well as the value of the securities of the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares.

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### Dividends

Holders of shares of the Company will not have a right to dividends on such shares unless declared by the Company's board of directors. The Company has not paid dividends in the past, and it is not anticipated that the Company will pay any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. The declaration of dividends is at the discretion of the board of directors, even if the Company has sufficient funds, net of its liabilities, to pay such dividends, and the declaration of any dividend will depend on the Company's financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

### Discretion in the Use of Proceeds

Management of the Company will have discretion concerning the use of the net proceeds of any sale of securities of the Company. Therefore, an investor will be relying on the judgment of management for the application of the net proceeds from such sales of the securities of the Company. Management has discretion to use the net proceeds in their discretion if they believe it would be in the Company's best interest to do so and in ways that an investor may not consider desirable. If the Company does not apply these funds efficiently it may adversely affect the operational results.