ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED

June 30, 2022

As of September 26, 2022

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NOTE TO READER

Unless otherwise stated, the information contained in this Annual Information Form ("**AIF**") of Carbon Streaming Corporation (the "**Company**" or "**Carbon Streaming**") is presented as at June 30, 2022, being the date of the Company's most recently audited financial year.

In this AIF, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in United States dollars. References to "dollars", "$", "U.S. dollars" or "US$" are to the lawful currency of the United States. References to "C$" are to the lawful currency of Canada.

"Carbon Streaming", "the Company," "we," "us" and "our" or similar terms refer to Carbon Streaming Corporation and its subsidiaries. For a glossary of certain defined terms and abbreviations used herein, see "Glossary of Certain Terms".

Advisories

Reference made in this AIF to other documents or information or documents available on a website does not constitute the incorporation by reference into this AIF of such other documents or such other information or documents available on such website.

This AIF contains forward-looking statements based on the Company's current expectations, assumptions and beliefs. Such information involves a number of known and unknown risks and uncertainties, including those discussed in this document in the "Risk Factors" section, and other factors that may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. See "Additional Information - Forward-Looking Information".

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the BCBCA on September 13, 2004. Effective June 15, 2020, the Company's name was changed to "*Carbon Streaming Corporation*".

The registered office of the Company is located at Suite 2500, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8. The principal office of the Company is located at Suite 1240 155 University Avenue, Toronto, Ontario, Canada M5H 3B7.

The Company's Common Shares are listed on the NEO Exchange under the symbol "NETZ", the March 2026 Warrants are listed on the NEO Exchange under the symbol "NETZ.WT" and the September 2026 Warrants are listed on the NEO Exchange under the symbol "NETZ.WT.B". The Company's Common Shares are also listed on the Frankfurt Stock Exchange under the symbol "M2Q" and trade on the OTC Markets under the symbol "OFSTF".

Intercorporate Relationships

As of the date hereof, the Company has two subsidiaries, Amalco, a wholly owned corporation incorporated under the laws of British Columbia and a 50% equity interest in Carbon Fund Advisors, a private company incorporated under the laws of the State of Delaware. See *"Description of the Business – Other Agreements & Investments"*.

The Company may incorporate one or more subsidiary companies to facilitate its activities as required.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Company has undertaken the following corporate activities:

Recent Developments

- On September 12, 2022, the Company announced that it entered into a term sheet and royalty agreement with Future Carbon. See *"Description of the Business – Overview of the Company's Carbon Credit Projects – Term Sheets".*
- On August 12, 2022, the Company announced that it changed its auditor to Deloitte LLP from Baker Tilly WM LLP, effective August 11, 2022.
- On July 6, 2022, the Company increased its equity investment in Carbon Fund Advisors, the sub-advisor of the Carbon Strategy ETF (NYSE: KARB). See *"Description of the Business – Other Agreements & Investments"*.
- On July 12, 2022, the Company entered into an exclusive term sheet with Citadelle. See *"Description of the Business – Overview of the Company's Carbon Credit Projects – Projects"*.

Year Ended June 30, 2022

- On June 21, 2022, the Company announced that it had entered into the Sustainable Community Stream with Will Solutions. See *"Description of the Business – Overview of the Company's Carbon Credit Projects – Projects"*.
- On May 31, 2022, the Company announced its collaboration with IG Wealth Management, pursuant to which the IG Climate Action Portfolios estimated emissions will be compensated for by the purchase and retirement of carbon credits.
- On May 17, 2022, the Company announced that it had entered into the Community Carbon Stream, which subsequently closed on August 15, 2022. See *"Description of the Business – Overview of the Company's Carbon Credit Projects – Projects"*.
- On May 12, 2022, the Company announced that it had entered into the Biochar Carbon Removals Stream with Waverly RB. See *"Description of the Business – Overview of the Company's Carbon Credit Projects – Projects"*.
- On February 23, 2022, the Company announced the filing of a registration statement on Form 40-F with the United States Securities and Exchange Commission to advance a potential U.S. listing of the Common Shares and Warrants on The Nasdaq Stock Market LLC. Such listing remains subject to approval and satisfaction of all applicable listing requirements, including effectiveness of the Form 40-F by the United States Securities and Exchange Commission.

- On January 10, 2022, Alice Schroeder was appointed to the Board.
- On November 22, 2021, the Common Shares commenced trading on the OTCQB Market in the United States under the symbol "OFSTF".
- On November 20, 2021, the automatic conversion of the Special Warrants into underlying Common Shares and the September 2026 Warrants occurred, with the September 2026 Warrants commencing trading on the NEO Exchange under the symbol "NETZ.WT.B" on November 24, 2021. See *"Description of Capital Structure – Warrants"*.
- On November 18, 2021, the Company announced that it had closed the previously announced Magdalena Bay Blue Carbon Stream with Fundación MarVivo Mexico, A.C. and MarVivo Corporation. See *"Description of the Business – Overview of the Company's Carbon Credit Projects – Projects"*.
- On November 12, 2021, Candace MacGibbon was elected to the Board at the Company's annual general and special meeting of Shareholders.
- On October 22, 2021, the Company completed a share consolidation (reverse stock split), whereby every 5 pre-Consolidation Common Shares were consolidated into one post-Consolidation Common Share, with post-Consolidation trading commencing on October 25, 2021.
- On October 5, 2021, the Company announced that Geoff Smith was appointed as President and Chief Operating Officer of the Company.
- On September 13, 2021, the Company announced that it had entered into the Cerrado Biome Stream with ERA. See *"Description of the Business – Overview of the Company's Carbon Credit Projects – Projects"*.
- On August 25, 2021, the Company filed a preliminary non-offering prospectus to qualify distribution and trading of the Special Warrants, which was subsequently withdrawn on November 22, 2021.
- On August 3, 2021, the Company announced that it had signed the Rimba Raya Stream and SAA with InfiniteEARTH and its founders, which subsequently closed on August 5, 2021. See *"Description of the Business – Overview of the Company's Carbon Credit Projects – Projects" and "Description of the Business – Other Agreements & Investments"*.
- On July 30, 2021, the Company announced that its Common Shares had commenced trading on the Frankfurt Stock Exchange under the symbol "M2Q".
- On July 27, 2021, the Common Shares and the March 2026 Warrants commenced trading on the NEO Exchange under the symbols "NETZ" and "NETZ.WT", respectively.
- On July 19, 2021, the Company completed the Special Warrant private placement for aggregate gross proceeds of US$104,901,256 through the sale of 104,901,256 Special Warrants at a price of US$1.00 per Special Warrant (pre-Consolidation). See "*Description of Capital Structure – Warrants*".

Year Ended June 30, 2021

- On June 29, 2021, Justin Cochrane was re-appointed to the Board as part of the Company's annual general and special meeting of Shareholders.
- On June 9, 2021, the Company announced the appointment of Michael Psihogios as Chief Investment Officer and Anne Walters as General Counsel and Corporate Secretary.
- On June 7, 2021, the Company announced that it had entered into a strategic partnership with WZ. See *"Description of the Business – Other Agreements & Investments"*.
- On June 3, 2021, the Company announced that it had entered into an exclusive term sheet with BCI. See *"Description of the Business – Overview of the Company's Carbon Credit Projects – Term Sheets"*.
- On May 12, 2021, the Company completed a private placement for aggregate proceeds of C$11,611,000 through the sale of 11,611,000 pre-Consolidation Common Shares at a price of C$1.00 per Common Share.
- On March 31, 2021, each of R. Marc Bustin, Saurabh Handa and Jeanne Usonis were appointed to the Board and Justin Cochrane resigned from the Board.
- On March 11, 2021, the Company completed a private placement for aggregate proceeds of C$32,474,451 through the sale of 43,299,268 pre-Consolidation units at C$0.75 per unit (with each unit consisting of one Common Share and one March 2026 Warrant (pre-Consolidation)).
- On January 27, 2021, the Company appointed Justin Cochrane as President and CEO of the Company, and Conor Kearns as the Company's Chief Financial Officer. Each of Justin Cochrane, Maurice Swan and Andy Tester were appointed to the Board, and each of Colin Watt, Edgar Froese and Ming Jang resigned from the Board on the same date.
- On January 27, 2021, the Company completed a private placement for aggregate proceeds of C$3,667,500 through the sale of 14,670,000 pre-Consolidation units at C$0.25 per unit, with each unit consisting of one Common Share and one Warrant exercisable at C$0.75 per Common Share until January 27, 2026.
- On December 22, 2020, the Company raised C$172,500 through the sale of 3,450,000 pre-Consolidation units at C$0.05 per unit, with each unit consisting of one Common Share and one Warrant exercisable at C$0.125 per Common Share until December 22, 2025.
- On December 16, 2020, the Company raised C$70,000 through the sale of 1,400,000 pre-Consolidation units at C$0.05 per unit, with each unit consisting of one Common Share and one Warrant exercisable at C$0.125 per Common Share until December 16, 2025.

Year Ended June 30, 2020

- On June 17, 2020, the Company completed a three-cornered amalgamation (the "**Amalgamation**") involving the Company, its wholly owned subsidiary, 1247374 B.C. Ltd., and Fundco. See "*Materials Contracts*".

- Effective June 15, 2020, the Company changed its name to *"Carbon Streaming Corporation"* and completed a consolidation of its then issued and outstanding common shares on the basis of one new consolidated Common Share for every 100 previously issued common shares.

- On May 21, 2020, the Company held an annual meeting of its Shareholders at which three new directors were appointed to the Board: Edgar Froese, Ming Jang and Colin Watt.

- On April 16, 2020, the Company entered into a loan agreement with Fundco whereby Fundco agreed to loan sufficient funds to the Company to enable it to pay all of its then outstanding liabilities. Fundco had been incorporated as an arm's length entity to raise funds to loan to the Company (and in this regard Fundco raised an aggregate of C$714,000 through the sale of units of Fundco).

DESCRIPTION OF THE BUSINESS

Overview

At Carbon Streaming, we aim to finance a net-zero future. We pioneered the use of streaming transactions, a proven and flexible funding model, to scale high-integrity carbon credit projects to accelerate global climate action and advance the United Nations Sustainable Development Goals ("**UN SDGs**"). This approach aligns our strategic interests with those of project partners to create long-term relationships built on a shared commitment to sustainability and accountability and positions us as a trusted source for buyers seeking high-quality carbon credits.

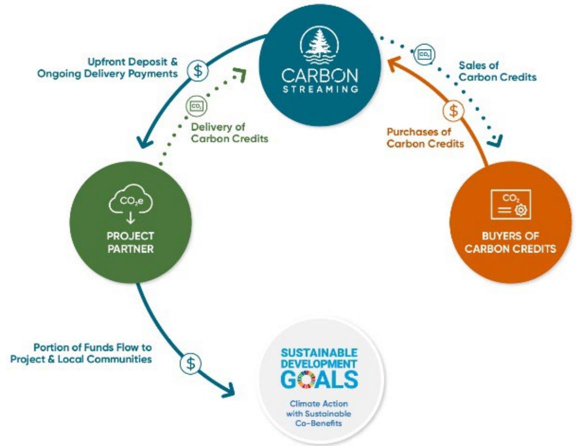
The Company has carbon credit streams related to over 10 projects around the world, including projects involving nature-based solutions, the distribution of fuel-efficient cookstoves and water filtration devices, sustainable community projects focused on waste avoidance and energy efficiency, and biochar carbon removal.

The Company's focus is on projects that have a positive impact on the environment, local communities, and biodiversity ("**Co-Benefits**"), in addition to their carbon reduction or removal potential. See "*– Overview of Carbon Credit Markets – Co-Benefits Accreditation*". We intend to execute on our strategy by:

(i) entering into or acquiring streaming, royalty or royalty-like arrangements with project developers/operators, non-governmental organizations (NGOs), non-profit organizations, companies, individuals or governments to purchase carbon credits generated by their project(s) or asset(s);

(ii) acquiring or investing, in the form of equity, debt or other forms of investment, in carbon credits or entities, assets or properties involved in the origination, generation, monitoring, or management of carbon credits or related businesses; and

(iii) marketing and selling carbon credits to maximize value for all of our stakeholders and deliver long-term cash flow to project partners, the projects and local communities.



Current Projects

The Company currently has streaming agreements in place that cover over ten different projects. Below is a summary of the key terms of the projects in which the Company has streams. See *"– Overview of the Company's Carbon Credit Projects"* for a description of each project and details on the Company's stream in each project.

Project Summary Table

Stream	Partner(s)	Project Location	Standard Body	Project Type		Status[1]	Project Start Year[2]	Expected Project Life[3] [4]	Expected Project Life tCO_2e Emission Reductions / Removals[4]
Rimba Raya	InfiniteEARTH Limited	Central Kalimantan, Borneo, Indonesia	Verra (VCS)	REDD+ (AFOLU)	Avoidance / Reduction	Registered and issuing carbon credits since 2013	2009	30 years	130 million
Community Carbon (7 Projects)	Community Carbon	Uganda	Gold Standard	Cookstove	Avoidance / Reduction	Under development	2020	15 years	50 million
		Mozambique	Gold Standard		Avoidance / Reduction	Under development	2021	15 years	
		Tanzania	Verra (VCS)		Avoidance / Reduction	Under development	2022[5]	21 years	
		Uganda	Gold Standard	Water Filtration	Avoidance / Reduction	Under development	2020	15 years	
		Mozambique	Gold Standard		Avoidance / Reduction	Under development	2023[5]	15 years	
		Zambia	Gold Standard		Avoidance / Reduction	Under development	2023[5]	15 years	
		Malawi	Gold Standard		Avoidance / Reduction	Under development	2021	15 years	
Sustainable Community (2 Projects)	Will Solutions Inc.	Quebec, Canada	Verra (VCS)	Energy Efficiency / Waste Diversion / Transport	Avoidance / Reduction	Registered and issuing carbon credits since 2014	2010	20 years[6]	100 million
		Ontario, Canada	Verra (VCS)		Avoidance / Reduction	Under development	2023[5]	21 years[7]	
Magdalena Bay Blue Carbon	Fundación MarVivo Mexico, MarVivo Corporation	Magdalena Bay, Baja California Sur, México	Verra (VCS) (planned)	To be developed as a REDD+ (AFOLU / Blue Carbon)	Avoidance / Reduction	Under development	2020	30 years	25 million
Waverly Biochar	Waverly RB SPE LLC	Virginia, United States	Puro.earth	Biochar	Removal / Sequestration	Under development	2023[5]	25 years	161,000
Cerrado Biome	ERA Assossoria e Projectos Ambientais e Agricolas Ltd.	Cerrado, Brazil	Verra (VCS)	REDD+ (AFOLU / ACoGS)	Avoidance / Reduction	Registered	2017	30 years	13 million

Notes:

(1) Under development means that the project has not yet been validated or registered, and that activities leading toward registration are in progress (often close to final). These could include project document development, carbon modeling, negotiations with relevant entities and/or any other work to fulfill the Standard's project requirements. During the due diligence process, Carbon Streaming will assess the risks of the project in context of its status.
(2) Project Start Year refers to the year in which project activities that generate emission reductions or removals begin. In most cases, the Project Start Year occurs before the year in which credits are first delivered to the Company. For details regarding the Company's current expectations on timing of receipt of carbon credits see "– *Carbon Credit Streaming Agreements*".
(3) Expected Project Life refers to the period of time (beginning at the project start year) during which the emission reductions or removals are expected to occur and the project can generate carbon credits according to its applicable accounting methodology, which may be extended under certain methodologies.
(4) Information based on current project design document ("**PDD**") on file with the applicable registry and/or provided by the project partner.
(5) Year indicates reflects the calendar year the project is currently expected to start.
(6) Initial 10-year crediting period was renewed by Verra in 2020 for an additional 10-year term ending in 2029.
(7) Initial crediting period is expected to be 7 years with two renewal crediting periods of 7 years each.

Carbon Credits

The term "**carbon credits**" as used in this AIF collectively refers to carbon offsets, carbon allowances, renewable energy certificates and clean / low carbon fuel standard credits. Typically, a carbon credit is a certified and transferable instrument that represents one tonne of carbon dioxide ("**tCO_2**") or the carbon dioxide equivalent ("**tCO_2e**") of another greenhouse gas (based on the amount of heat the gas traps in the atmosphere over time relative to carbon dioxide) that is prevented from entering the atmosphere or sequestered or removed from the atmosphere. Every 4.60 tCO_2e removed from the atmosphere is equivalent to the removal of one average passenger vehicle from the road for one year (source: Environmental Protection Agency).

Carbon credits are typically generated from offset projects, which can be grouped into two broad categories: (i) Avoidance / Reduction (activities that avoid or reduce GHG emissions); and (ii) Removal / Sequestration (activities that remove or sequester GHGs). Both of these categories may involve technology-based solutions or nature-based solutions, such as agriculture, forestry and other land-use ("**AFOLU**") projects, which in turn may involve one or more of the following ecosystems: marine, coastal and wetlands, including mangroves; terrestrial forests; grasslands and shrublands. For common project types, see *"– Overview of Carbon Credit Markets – Projects Generating Carbon Credits"*.

The positive impacts associated with a carbon credit can often go beyond the reduction or removal of greenhouse gas ("**GHG**") emissions to include Co-Benefits such as protecting endangered species or providing tangible benefits to the local communities, or other activities which advance UN SDGs. See "– *Overview of Carbon Credit Markets – Project Registration & Development Process*".

Carbon credits are seen as a complementary tool to be used alongside broader decarbonization efforts of corporations, organizations and individuals to achieve their net-zero or carbon-neutral goals. Carbon credits can compensate for unabated emissions while a company pursues a science-aligned emissions mitigation strategy and neutralize residual emissions in order to reach net-zero.

Our Approach to Climate Financing

The Company seeks to provide alternative financing, particularly in the form of streams and royalties, to projects that generate or are expected to generate carbon credits for sale in the voluntary and/or compliance markets. A carbon credit stream is a flexible, customizable financing alternative, allowing owners, project partners, and/or aggregators of projects to advance the transition to a net-zero future. Similar financing structures, including streams and royalties, have been used extensively in the music, publishing, pharmaceutical, franchising, and precious and base metals sectors to provide an alternative to traditional sources of capital. In a streaming agreement, the purchaser makes an upfront deposit in exchange for the right to purchase all, a fixed percentage of, or a specified amount of the subject of the stream (e.g., ounces of gold, etc.) at a pre-agreed price or formula with respect to a reference price for the term of the agreement, which is typically for a long term. Stream interests are established through a contract between purchaser and seller (project partner) which is typically a property or asset owner. Streams are not typically working interests in a property or an asset and, therefore, the purchaser is not responsible for contributing additional funds for operating costs, capital costs or any other purpose.

Carbon Streaming is at the forefront of bringing the streaming structure to the climate industry. A carbon credit stream is a contractual agreement whereby Carbon Streaming, as the stream purchaser, makes an upfront deposit (in the form of cash, shares or other consideration) in return for the right to receive all or a portion of the future carbon credits (including the emission reductions/removals and associated Co-Benefits) generated by a project or an asset over the term of the agreement. The project partner or owner may use the upfront deposit to fund the development, expansion or operation of a project or for general corporate purposes. Carbon Streaming also makes an additional ongoing delivery payment per-carbon credit to the project partner or owner when the carbon credits are sold.

A streaming agreement provides the Company with carbon credits and potential price appreciation upside without taking on the operating responsibility and risk of managing a carbon credit project. Typically, a portion of the sales price flows back to the project and the local communities to fund activities, such as conservation or community programs to prevent deforestation, which may result in higher GHG emission reductions than originally projected thereby leading to an increase in the carbon credits generated by the project.

Benefits of streams to the project partner or owner include an upfront deposit and annual income over the project life. In addition, Carbon Streaming often assumes responsibility for the sales and marketing of the carbon credits under the stream, thereby providing the project partner with a sales channel to monetize the credits from the project. We expect our internal sales capabilities will enable us to achieve higher net realizable sale prices than being solely dependent on third-party sales channels. In some cases, Carbon Streaming may also assist the project partner to identify project deficiencies and make introductions to industry experts to assist with implementation.

Our streaming arrangements with our project partners allow Carbon Streaming to offer carbon credit buyers a diversified portfolio of high-quality carbon credits with confidence of future supply. In addition, typically a portion of the sales price flows back to the project and the local communities, so a buyer can have confidence that a portion of the sum it pays to acquire the carbon credits will be used towards advancing one or more UN SDGs beyond the reduction or removal of GHGs.

Making a Sustainable Impact

The Company seeks to augment the sustainable impact of our deployment of capital. Due to the nature of our business, the projects of our streaming agreements are focused on the mitigation of greenhouse gases; however, while every carbon credit represents one less tonne of greenhouse gases in the atmosphere, not every carbon credit is equal in its broader contribution to a sustainable future. The Company's aim is to finance a net-zero future by accelerating the creation and expansion of high-integrity carbon credit projects and the innovation of new technologies needed to reduce and remove emissions, with a particular focus on projects with Co-Benefits. Carbon Streaming believes that carbon credits with Co-Benefit accreditation, or that otherwise offer impactful Co-Benefits such as addressing UN SDGs, will command premium prices compared to otherwise similar carbon credits without Co-Benefit accreditation or impactful Co-Benefit initiatives. See *"– Other Information Relating to the Company's Business"*.

The Company has an impact investing policy which guides our decision-making process for identifying carbon credit projects to consider for streaming transactions. In adherence to the policy, it is our belief that by focusing on projects with strong Co-Benefits, the carbon credits we acquire will attract a premium, which should generate enhanced economic returns for our stakeholders. See *"– Other Information Relating to the Company's Business – Sustainability"*.

Carbon Credit Streaming Agreements

A summary of the key terms of the Company's streams are set forth below. See "– *Description of the Business – Overview of the Company's Carbon Credit Projects – Projects*" for a full description of the Company's streaming agreement for each project.

Stream	Partner(s)	Project Location	Upfront Deposit(1)	Initial Term(2)	Project Type	Credit Type
Rimba Raya	InfiniteEARTH Limited	Central Kalimantan, Borneo, Indonesia	$26.3 million(3) (4)	20 years	REDD+ (AFOLU)	VCU
Community Carbon (7 Projects)	Community Carbon	Uganda, Mozambique, Tanzania, Uganda, Zambia and Malawi,	$20 million	15 years	Cookstove / Water Filtration	VCU / VER
Sustainable Community (2 Projects)	Will Solutions Inc.	Quebec and Ontario, Canada	$20 million	10 years(5)	Energy Efficiency / Waste Diversion / Transport	VCU
Magdalena Bay Blue Carbon	Fundación MarVivo Mexico, MarVivo Corporation	Magdalena Bay, Baja California Sur, México	$6 million(4)	30 years	To be developed as REDD+ (AFOLU / Blue Carbon)	VCU (Planned)
Waverly Biochar	Waverly RB SPE LLC	Virginia, United States	$1.35 million	25 years	Biochar	CORC
Cerrado Biome	ERA Cerrado Assessoria e Projectos Ambientais Ltd	Cerrado, Brazil	$0.5 million	30 years	REDD+ (AFOLU / ACoGS)	VCU

Notes:

(1) Upfront deposit amounts assume all milestones will be realized and all installments paid in full.
(2) The initial term typically commences upon delivery of first credits to the Company and can be extended should the project continue to issue carbon credits beyond the current or expected crediting period of the project.
(3) Only includes cash amounts paid under the Rimba Stream. Excludes the dollar value of share consideration granted under the SAA.
(4) Subject to the formal exercise by Osisko of its Stream Participation Rights. See "Material Contracts – Participation Rights".
(5) Under the streaming agreement the Company has the option to extend the stream for additional consideration of US$0.45 per VCU delivered adjusted for inflation based on the Canadian Consumer Price Index.

Streaming Agreement Terms

Upfront Deposit

Under the Company's streaming agreements, the Company pays an initial upfront deposit to the project partner in exchange for the right to receive all or a portion of the carbon credits generated by the project over the term of the stream. The upfront deposit can be paid in full at closing or on an installments basis as specified negotiated milestones are reached by the project and/or achieved by the project partner. The proceeds of the upfront deposit are generally used towards project expansion, project development or other agreed purposes based on the nature of the project. For operating projects, the upfront deposit is typically used to fund project activities (including expanding or enhancing programs that provide Co-Benefits) or for general corporate purposes. For projects in the development phase, the upfront deposit is typically used to fund the project, which can include developing, implementing and operating the project in accordance with the project plan, good industry practices and applicable law and facilitating the registration and validation of the project and the verification, certification, serialization and issuance of carbon credits.

Ongoing Delivery Payments

In addition to the upfront deposit, the Company also pays the project partner ongoing delivery payments for each carbon credit that is delivered to and then sold by the Company. The ongoing delivery payment is calculated from the net revenue received from the sale of each carbon credit delivered under the stream. For the Company's current streaming agreements, the project partner is typically entitled to the majority of the net revenue received from the sale of the carbon credits (through the payment of the ongoing delivery payment), with the Company retaining between 5-45% of the net revenue. These percentages are subject to fluctuation based on the price obtained from the sale of the carbon credits and the specific terms of the streaming agreement.

The project partner's ongoing delivery payment is negotiated and set out under the streaming agreement and is typically determined by the size of the upfront deposit, the percentage of the carbon credits covered under the stream, the amount of carbon credits expected to be generated by the project, the remaining crediting period of the project and the expected sales price of the carbon credits. The ongoing delivery payments are typically provided to the project partner on a quarterly basis following the Company's sale and receipt of payment from a third-party buyer of the carbon credits. In addition, typically a portion of the purchase price flows back to the project and the local communities.

Term

When structuring streaming arrangements, the Company generally seeks to align the term of a potential stream with the remaining crediting period of the project. Each Standard has specified crediting periods for projects (e.g., how many years a given project may generate carbon credits under the applicable Standard and applicable methodology). For example, AFOLU projects under the Verified Carbon Standard ("**VCS**"), the largest global voluntary carbon credit standard, which is administered by Verra, must remain in operation for a minimum of 20 years and may extend this to a maximum of 100 years. In contrast, the credit generation profile for the Company's Community Carbon Stream, which involves the distribution of fuel-efficient cookstoves or water filtration devices, is expected to be 15 or 21 years which reflects the credit generation life cycle of the specific project under the various Standards. For streams that have the term set as the crediting period of the project, the Company also typically has the right to extend the term of its stream if the project continues to generate credits after the initial crediting period.

Ongoing Credit Issuances

An independent auditor must verify a project's emission reductions or removals at regular intervals in order for carbon credits to be issued. All of the Company's streaming agreements have a requirement for project partners to conduct this process on at least an annual basis and to deliver such verification report(s) to the Company. In addition, under the terms of each streaming agreement, Carbon Streaming receives updates from its project partner at least annually, including all verification and financial reports. Key verification documentation and records of credit issuances on a Registry are also generally publicly available on the website of the applicable Standard Body and may also be available on the project partner's or project's website. See *"Description of the Business – Background on Carbon Markets"*.

The carbon credits to be delivered by the project partner to the Company pursuant to the stream are required to be verified and conform in all respects with a Standard, and its Registry requirements, and the

Company has no obligation to purchase any carbon credits that do not meet such standards or specifications. Each streaming agreement provides that the Company is not responsible for any operating costs, liabilities, penalties, insurance, deductions, set-offs, taxes, transportation, settlement, financing, expenses, buffer or other charges pertaining to or in respect of the project or the generation of the carbon credits purchased by it thereunder.

Other Terms

Each streaming agreement includes a set of covenants and obligations of the project partner to keep the project and the material contracts/permits in good standing. In addition, the streaming agreement generally contains restrictions on the transfer or assignment of the stream, provisions in respect of events of default and indemnification matters, and other representations, warranties and covenants for a transaction of such nature. In order to secure performance under the streaming agreement, the Company typically has the right to take security over all or a portion of assets or carbon credit rights of the project partner, and in certain cases, has been granted a share pledge over the shares of the project partner.

Carbon Credit Sales

Sales Strategy

The Company's current sales plan includes the following principles and objectives: sell carbon credits within 12 months of issuance; sell a portion of the portfolio on a forward basis and a portion of the portfolio on a spot basis; collaborate with project partners to balance their operating cash flow requirements for the project and market opportunities; and conduct sales across multiple sales channels, with a focus on end users demanding material carbon credit volumes, voluntary carbon market specialists and exchanges.

Sales Channels

Sales in the voluntary carbon market are conducted through multiple distribution channels. The majority of volumes to date have transacted 'over the counter' between buyer and seller. These over-the-counter sales are either conducted directly with the 'end user' of the carbon credit (i.e., the entity that will use the carbon credit towards its carbon neutrality or net zero goals) or through intermediaries. End users are large organizations, SMEs and individuals who purchase and retire credits, typically using them to compensate for emissions to advance or achieve a carbon neutral or net zero commitment. Intermediaries include brokers, corporate trading desks, voluntary market specialists and sustainability consultancies who link sellers and buyers of carbon credits.

As the voluntary carbon market matures, other sales channels are emerging. The most prominent of these are carbon credit exchanges, which provide a digital marketplace for the trading of carbon credits and aim to increase liquidity in the market and reduce transaction costs. Retail sales channels whereby individuals or organizations can purchase carbon credits directly or have carbon credits retired on the purchaser's behalf are also emerging within the industry.

Sales Contract Structure

Across the sales channels, there are two predominant contract structures. The first is a spot transaction which involves the sale of issued carbon credits to a buyer in return for payment. The second is a forward transaction which involves the sale of carbon credits in the future *before* they are issued. Payment in forward contracts is generally either fixed at the point of contracting or determined at the point of delivery based on the market value of the credits at that time.

Risk Mitigation

Carbon credit prices fluctuate continually and are affected by many factors. See "*Risk Factors – Fluctuating price of carbon credits".* The Company has a sophisticated sales team that optimizes sales and manages risk by using a combination of spot and forward contract structures across a variety of sales channels. For example, the Company has collaborated with IG Wealth Management to compensate estimated emissions of the IG Climate Action Portfolios by the purchase and retirement of carbon credits. The sales team also works closely with the Company's project partners when making decisions about allocation of sales channels and contract structure.

Acquisition Growth Strategy

Carbon Streaming believes there is significant potential for stream-based financing in the carbon markets. According to the voluntary registry offsets database developed and maintained by the Berkeley Carbon Trading Project in collaboration with Carbon Direct, as of March 31, 2022, there were over 5,400 carbon offset projects listed in the four largest voluntary carbon credit Registries. The Company anticipates the number of carbon offset projects will increase in response to rapidly increasing demand for carbon credits driven both by growing corporate commitments to achieve net-zero or carbon-neutral emissions and increasing stringency of national policies. Carbon Streaming has positioned itself to not only be able to market a high-integrity and diverse selection of carbon credits to the buyers that will need them to meet their regulated or voluntary requirements or goals as they compensate for their GHG emissions as they decarbonize, but also to provide an attractive long-term alternative to traditional financing for project partners looking to develop or expand carbon offset projects or monetize some or all of their existing or future carbon credits today.

Overview of the Company's Carbon Credit Projects

Projects

Rimba Raya Stream and Project Overview

The Company has entered into a purchase and sale agreement dated July 30, 2021 (the "**Rimba Raya Stream**") with InfiniteEARTH, the developer of the Rimba Raya project, a REDD+ project that has been conserving tropical lowland peat swamp forests in Central Kalimantan, Indonesia for over a decade and has been issuing carbon credits since 2013 on project activities dating back to 2009, with such credits being sold through a variety of sales channels.

Rimba Raya is verified under Verra's VCS. The project design documentation ("**PDD**") filed with Verra by InfiniteEARTH on September 20, 2011 projected that a total of 130 million tCO_2e GHG emissions would be avoided at Rimba Raya over the 30-year project life. After assessing a 20% risk buffer, the total estimated reduced emissions under VCS are approximately 105 million tCO_2e (or 3,527,171 tCO_2e per year). The project was among the first Verra registered REDD+ projects and has a long history of success. As of June 30, 2019, the project has generated more net GHG emission reductions (+12%) than was originally projected in the PDD. As of June 30, 2019, a total of 36.5 million tCO_2e verified emission reductions have been verified at Rimba Raya and a total of 33.2 million tCO_2e VCUs have been issued (ranging from 2.3

million to 4.4 million tCO_2e VCUs per year). The PDD forecasts approximately 70 million credits could be issued over Rimba Raya's remaining 20-year project crediting period with Verra.

In early 2022, Rimba Raya was scheduled to undergo its sixth VCS audit monitoring period to verify the emission reductions that occurred during the period from July 1, 2019 to June 30, 2021, estimated to be approximately 7 million tCO_2e. However, in consideration of potentially imminent new regulations in Indonesia, this sixth audit has been temporarily paused at this time.

Specifically, Indonesia's Regulation 98 ("**Reg 98**") was enacted and became effective on October 29, 2021. Reg 98 introduced carbon value pricing (also known as carbon pricing), measurement, reporting and verification requirements, registration requirements on *Sistem Registri Nasional Pengendalian Perubahan Iklim* ("**SRN**"), Indonesia's domestic carbon registry and a forum for managing data and information on actions and resources for climate change adaptation and mitigation, and rules related to cross-border trading of credits. In April 2022, the Indonesian government temporarily paused validation and verification of carbon credits from projects on the Verra Registry (and other registries) as it seeks to finalize its national carbon emission regulations. With the pending implementation of Reg 98 (and the corresponding temporary pause that remains in place), the manner in which rules and regulations may interact and work with the existing voluntary carbon credits Standards, including Verra, is unknown at this time.

InfiniteEARTH has been cooperating with Indonesia's Ministry of Environment & Forestry ("**MOEF**") to ensure that Rimba Raya's activities remain in compliance with this dynamic regulatory landscape. Rimba Raya has a strong track record of regulatory compliance in Indonesia and in November 2021, the project received a renewed concession license under Reg 98, which extended the project's concession license to 2073. InfiniteEARTH continues to engage with MOEF and SRN while the design of Indonesia's domestic scheme for carbon credit verification under national regulations is finalized. Reg 98 is expected to help bring clarity to the carbon sector in Indonesia and, while progress has been made, the impact on the current PDD filed with Verra, including the remaining crediting life and expected annual credits to be issued, and the potential timing of the next issuance of carbon credits and delivery of carbon credits to the Company under a Verra audit (or otherwise) remain unknown at this time.

Pursuant to the terms of the transaction, the Company paid an upfront deposit of US$22.3 million for the Rimba Raya Stream and entered into a strategic alliance agreement (the "**SAA**") with the founders of InfiniteEARTH for total consideration comprised of US$4 million in cash and the issuance of 4,539,180 Common Shares on a post-consolidated basis. InfiniteEARTH is an organization that develops and manages conservation land banks and provides environmental offsets and corporate social responsibility solutions to companies across the globe. For additional information in respect of the SAA, see "*– Other Agreements & Investments – InfiniteEARTH Strategic Alliance Agreement*".

Under the terms of the Rimba Raya Stream, InfiniteEARTH will deliver 100% of the carbon credits generated by Rimba Raya up to July 31, 2051 (unless otherwise extended) for sale by Carbon Streaming, less up to 635,000 carbon credits per annum that are already committed to previous buyers. Carbon Streaming will make ongoing delivery payments to InfiniteEARTH for each carbon credit that is onward sold by Carbon Streaming under the Rimba Raya Stream once Indonesia removes its embargo on new verifications.

Osisko, which has certain Stream Participation Rights in respect of the Company's streaming agreements, has provided notice to the Company that it has elected in principle to exercise its Stream Participation

Rights in respect of the Rimba Raya transaction. Pursuant to the exercise by Osisko of such participation rights, Osisko would pay 20% of the upfront deposit (making the net upfront deposit for the Company US$17.84 million) and Osisko will receive 20% of the Rimba Raya Stream. For additional information related to the Osisko's Stream Participation Rights, see "*Material Contracts – Participation Rights*".

Rimba Raya, located on the island of Borneo in the province of Central Kalimantan, Indonesia, is one of the world's largest initiatives to protect and preserve tropical lowland peat swamp forests – one of the terrestrial ecosystems with the highest carbon storing capacity but also one of the most highly endangered ecosystems in the world.

Rimba Raya is a REDD+ project, achieving GHG emission reductions by preventing deforestation through conversion into palm oil plantations. Rimba Raya generates carbon credits from approximately 47,000 ha, with the balance of the project area being buffer areas surrounding the carbon accounting area. Rimba Raya was also designed to protect the biodiversity of the adjacent world-renowned Tanjung Puting National Park by creating a physical buffer zone on the full extent of the approximately 90 km eastern border of the park. The project area is rich in biodiversity, especially the endangered Bornean orangutan, with over 100 species on the International Union for Conservation of Nature's Red List of Threatened Species (IUCN RED) located within the reserve. It was the first REDD+ project to receive a "triple-gold" validation under the Climate, Community and Biodiversity Standard ("**CCB Standard**") for climate change adaptation benefits, exceptional community benefits and extraordinary biodiversity benefits. In addition, Rimba Raya was the first REDD+ project to be validated and verified under the Sustainable Development Verified Impact Standard ("**SD VISta Standard**") for its contribution to the UN SDGs, contributing to all 17 UN SDGs.

A portion of the upfront deposit made by Carbon Streaming has gone directly to Rimba Raya to fund its activities and community programs including to advance agroforestry initiatives with a mix of indigenous crop in community farms, additional orangutan release camps and increased education scholarships. The operational budget for the Rimba Raya project is funded through the revenue generated by the sale of carbon credits. In addition, a portion of the revenue goes directly to Rimba Raya to support local community development and provincial government infrastructure. These activities include building towers to watch for wildfires or deforestation activities, cleaning rivers and planting mangroves for reforestation. Community involvement is vital for these activities which encourages local people to take an active part in continual project development. Community involvement is also enhanced through the development of programs to improve quality of life, such as water filtration systems, floating healthcare facilities, scholarships, and solar energy. All of the foregoing make significant contributions to Indonesia's sustainable development goals and UN climate commitments.

Community Carbon Stream - Cookstove & Water Filtration Portfolio Overview

The Company has entered into a purchase and sale agreement dated May 16, 2022 (the "**Community Carbon Stream**") with Community Carbon and UpEnergy Group ("**UpEnergy**"), to bring fuel-efficient cookstoves and safe water solutions to millions of households in eastern and southern Africa under a grouped project model.

Pursuant to the terms of the transaction, the Company agreed to pay an upfront deposit of $20.0 million. The first portion of the upfront deposit of $6.5 million was paid on closing on August 15, 2022, with additional installments of up to $13.5 million to be paid as emissions reduction milestones are met and as cookstove and water purification units are distributed.

Under the terms of the Community Carbon Stream, Carbon Streaming receives a portion of the credits generated from a diversified portfolio of three cookstove and four safe water projects across Uganda, Mozambique, Tanzania, Zambia, and Malawi (collectively the "**Portfolio**") over the 15-year life of the Community Carbon Stream. Carbon Streaming's economic interest is consistent with the terms of the Company's other streaming agreements.

The Portfolio has a goal to reduce approximately 50 million tCO_2e of emissions over the 15 to 21 year lives of the projects and is expected to generate an equivalent number of carbon credits. Annual GHG emission reductions are estimated by Community Carbon to average 3.3 million tCO_2e (peaking at approximately 6 million credits for Vintage 2027). The generation of carbon credits is expected to commence in calendar year 2023.

Community Carbon will work with micro-entrepreneurs, non-governmental organizations, financial institutions and local distribution partners to provide households with the technology and ensure the "last-mile" distribution and installation of the technologies to the recipients. The roll out is underway in Mozambique, Uganda, Malawi and Tanzania and is expected to continue over the next two years with the expected delivery of 3.5 million fuel-efficient, clean cookstoves and water purification devices to communities across the five countries.

Emission reductions generated by the Portfolio will be independently verified under the Gold Standard (and for the Tanzania project, under Verra). The Portfolio is also expected to generate additional compounding social and economic benefits, through job creation via local manufacturing, avoided wood and fuel costs, and local tree planting in the communities. The distribution of fuel-efficient cookstoves and water filtration devices to millions will help reduce emissions, improve health outcomes and reduce deforestation and degradation by protecting forests from illegal charcoal and wood harvesting. In addition, through the local manufacturing of the fuel-efficient cookstove devices, the Portfolio is intended to create hundreds of direct and indirect jobs per country and improve the quality of life of women and girls in particular, as they are disproportionately impacted by climate change due to their typical responsibility for household chores, particularly cooking and the fetching of water and related energy sources. The projects also contribute (or are expected to contribute) to eight UN SDGs including Quality Education (4), Gender Equality (5), Decent Work and Economic Growth (8) and Industry, Innovation and Infrastructure (9).

In connection with entering into the Community Carbon Stream, Community Carbon has created an impact fund (the "**Impact Fund**") to support additional community programs. The Impact Fund, which will be jointly funded by Community Carbon and Carbon Streaming, with a portion of the Portfolio's carbon credit sales revenue over the life of the Carbon Stream, intends to commence with initiatives dedicated to the education and empowerment of women and girls. To accelerate the Impact Fund's work, Carbon Streaming will make an initial advance of US$375,000 to the fund, with the first projects to be supported starting in the third quarter of calendar year 2022.

Sustainable Community Stream and Portfolio Overview

The Company has entered into a purchase and sale agreement dated June 20, 2022 (the "**Sustainable Community Stream**") with Will Solutions Inc. ("**Will Solutions**") to scale its Sustainable Community project in Quebec, Canada and develop and scale its Sustainable Community project in Ontario, Canada.

Pursuant to the terms of the transaction, the Company agreed to pay an upfront deposit of $20.0 million. As of June 30, 2022, $4 million of the upfront deposit had been paid, with the balance of the upfront deposit installment payments to be made as the projects achieve implementation and new member enrollment milestones. In addition, the Company will make ongoing delivery payments to Will Solutions for each carbon credit that is sold.

Under the terms of the Sustainable Community Stream, Carbon Streaming will receive 50% of the carbon credits generated by the projects, up to 44.1 million carbon credits. The two projects are expected to generate over 100 million VCUs over the next 10 years.

Will Solutions is expected to make its first delivery under the Sustainable Community Stream of approximately 425,000 to 525,000 carbon credits in the second half of 2023, ramping up to approximately 10 million carbon credits in 2030.

The Quebec project has been developed, registered and validated under Verra's VCS grouped project model. The Ontario project has been listed with Verra and is expected to be developed, registered and validated under the same model. The Quebec Sustainable Community project operated by Will Solutions is one of the largest grouped projects in Canada to be registered with Verra and has been actively conducting activities that reduce GHG emissions since 2010 using the VM0018 methodology developed by Will Solutions in collaboration with Verra. Carbon credits from the Quebec Sustainable Community project were first issued in 2014. As of September 6, 2022, a total of 1.9 million tCO_2e emission reductions have been verified at the Quebec Sustainable Community and a total of approximately 541 thousand VCUs have been issued.

The projects focus on enrolling small emitters (under 25,000 tCO_2e per year) in Quebec and Ontario including small and medium enterprises ("**SMEs**"), small municipalities, non-profit organizations and individual proprietorships. The projects aggregate and reward participants for implementing uncommon practices to reduce GHG emissions by utilizing a consolidated information and communication technology-enabled data collection and monitoring and collection system that is used to qualify, measure, stimulate, gather and convert carbon reduction activities into carbon credits. Approximately 70% of emission reductions anticipated from the projects would be considered methane avoidance, delivering action towards the UN Global Methane Pledge. Emission reductions from the projects currently come from diverse activities such as improved energy efficiency for buildings and redirection of waste away from landfills. The projects expect to add additional activities including optimal usage of transportation for businesses. By aggregating and clustering small emitters into regional hubs and offering a financial reward for emission reductions measures, the projects provide access to the carbon markets, encourage green innovation and organizational changes and spur economic opportunities linked to climate mitigation and adaptation to enterprises that may have otherwise been overlooked or disincentivized to participate in emission reductions.

The projects also contribute (or are expected to contribute) to six UN SDGs including Climate Action (13), Industry, Innovation and Infrastructure (9), Reduced Inequalities (10), Sustainable Cities and Communities (11), Responsible Consumption and Production (12), and Partnerships for the Goals (17).

Magdalena Bay Blue Carbon Stream and Project Overview

The Company has entered into a purchase and sale agreement dated May 13, 2021 (the "**Magdalena Bay Blue Carbon Stream**") with Fundación MarVivo Mexico, A.C. and MarVivo Corporation with respect to the Magdalena Bay Blue Carbon project, a mangrove forest and marine habitat conservation project to be developed in Magdalena Bay in Baja California Sur, Mexico.

Pursuant to the terms of the transaction, the Company agreed to pay MarVivo Corporation an upfront deposit of $6 million, which is expected to contribute to the initial project development costs. As at June 30, 2022, $3 million of the upfront deposit has been paid, with the balance to be paid in installments upon specific milestones being met during project development. In addition, the Company will make ongoing delivery payments to MarVivo Corporation for each carbon credit that is sold under the stream.

Under the terms of the Magdalena Bay Blue Carbon Stream, MarVivo Corporation will deliver the greater of 200,000 carbon credits or 20% of verified credits generated by the project on an annual basis, for a term of 30 years starting on the date of the first delivery of carbon credits. The Magdalena Bay Blue Carbon project is expected to be developed as a REDD+ project and generate approximately 25 million Blue Carbon credits over its 30-year project life (averaging approximately 0.8 million carbon credits per annum).

Osisko has provided notice to the Company that it intends to exercise its 20% Stream Participation Rights in respect of the Magdalena Bay Blue Carbon Stream. Pursuant to the exercise of Osisko's Stream Participation Rights, Osisko would pay 20% of the upfront deposit (making the net upfront deposit for the Company US$4.8 million) and Osisko will receive 20% of the Magdalena Bay Blue Carbon Stream. For additional information related to the Osisko's Stream Participation Rights, see "*Material Contracts – Participation Rights*".

MarVivo Corporation plans to have the project registered and validated under Verra's VCS, the CCB Standard and the SD VISta Standards. The project's start date is December 18, 2020, with the first carbon credits from the Magdalena Bay Blue Carbon project currently expected to be delivered to the Company in the second half of 2023.

Magdalena Bay is home to Baja's largest mangrove forest creating a diverse and unique ecosystem. It is known for its pristine habitat and is home to a large diversity of sharks, whales, and a variety of other species, including multiple listed as endangered. The Mexican State of Sinaloa has undergone significant deforestation of mangroves due to intensive shrimp farming and the Magdalena Bay Blue Carbon project intends to prevent the same from occurring in Magdalena Bay. The project management zone covers approximately 22,000 hectares and plans to limit deforestation, promote wildlife conservation, and generate unique benefits for the local communities. It is expected that the REDD+ framework will be used to define the project so that Blue Carbon credits may be generated to fund project activities and support the local communities.

The Magdalena Bay Blue Carbon project is being developed by Fundación MarVivo Mexico, A.C. and MarVivo Corporation in partnership with Mexico's National Commission for Protected Natural Areas ("**CONANP**"). The local communities of San Carlos (population of approximately 5,000) and Lopez Mateos (population of approximately 3,000) are also stakeholders involved in the project.

The operational budget for the Magdalena Bay Blue Carbon project is expected to be funded through the revenue generated from the sale of the carbon credits. In addition, a portion of the proceeds from the sale of Magdalena Bay Blue Carbon REDD+ carbon credits will support projects in local communities designed to address poverty, one of the main drivers of deforestation, and create new economic opportunities like ecotourism and sustainable sea scallop farming. The intent is to displace the shrimp farming that is occurring in the area surrounding the project which has led to high rates of mangrove deforestation. Approximately $2 million of direct annual benefits are estimated to be received by the local communities once the Magdalena Bay Blue Carbon project is fully operational. Project partners, government partners, CONANP and local communities have committed to obtaining World Heritage Site status for the area due to its unique nature. Designation as a World Heritage Site would benefit the area through international recognition and legal protection, and further fund efforts to help facilitate conservation and development of ecotourism.

Waverly Biochar Stream and Project Overview

The Company has entered into a purchase and sale agreement dated May 11, 2022 (the "**Waverly Biochar Stream**") with Waverly RB SPE LLC ("**Waverly RB**"), a subsidiary of Restoration Bioproducts LLC, to support the construction of a biochar production facility located onsite of a wood pellet manufacturer in Waverly, Virginia, United States. Biochar, short for biological charcoal, is a very stable form of carbon that prevents the release of GHGs into the atmosphere for centuries.

Pursuant to the terms of the transaction, the Company agreed to pay an upfront deposit of $1.35 million to implement the Waverly Biochar project. With the signing of the Waverly Biochar Stream, Carbon Streaming paid $0.6 million of the upfront deposit, with additional upfront deposit installments of $0.75 million in aggregate to be paid over the term of the streaming agreement upon validation of the project by an accepted Standards Body and upon initial production of biochar. In addition, the Company will make ongoing delivery payments to Waverly RB for each CO_2 removal certificate ("**CORC**") that is sold.

Under the terms of the Waverly Biochar Stream, Waverly RB will deliver 100% of the CORCs generated by the project, for a term of 25 years starting on the date of the first delivery of CORCs, which is expected to occur in the second half of 2023.

Waverly RB expects to produce biochar to remove over 161,000 tCO_2e of emissions and generate an equivalent number of CORCs over the 25-year project life (representing an estimated 6,500 tCO_2e per annum). CORCs are classified as removal / sequestration carbon credits.

The project is expected to be verified under the independent standard Puro.earth, the leading Standard for biochar projects.

Waverly RB is a company based in the state of Virginia, which re-purposes existing agriculture or forest product waste streams as the renewable fuel feedstock for custom-engineered renewable natural gas-fired systems for heating and cooling. Biochar, is produced by heating biomass (organic feedstocks such as wood, peanut shells, manure and crop waste) in the near or total absence of oxygen and it is valuable for sequestration of GHGs. When the product is added to soil, the remaining very stable form of carbon bonds with the soil, providing nutrients and improving fertility while also preventing the release of carbon dioxide and methane into the atmosphere. It is anticipated that the majority of biochar generated by the project will be used in agricultural applications to deliver soil enhancement through increased water and nutrient retention and ammonia reduction. The project is also expected to generate clean energy that will be used at a nearby manufacturing plant and is also expected to be a significant employer in the local community.

Cerrado Biome Stream and Project Overview

The Company has entered into a purchase and sale agreement dated September 8, 2021 (the "**Cerrado Biome Stream**") with ERA Cerrado Assessoria e Projectos Ambientais Ltd (formerly ERA Assessoria e Projectos Ambientais e Agricolas Ltd.) ("**ERA**") with respect to the Cerrado Biome project, located in Brazil's Cerrado biome.

Pursuant to the terms of the transaction, the Company agreed to pay ERA an upfront deposit of $0.5 million, which is expected to fully fund the initial project development costs and scale-up. As at June 30, 2022, $0.25 million of the upfront deposit has been paid, with the balance to be paid in subsequent installments upon specific milestones being met. In addition, the Company will make ongoing delivery payments to ERA for each carbon credit that is sold under the Cerrado Biome Stream.

Under the terms of the Cerrado Biome Stream, ERA will deliver 100% of the carbon credits generated by the Cerrado Biome project, less any pre-existing delivery obligations, for a term of 30 years.

The project is aimed at protecting native forests and grasslands in the Cerrado biome, one of the most biodiverse savanna regions in the world, and is expected to generate approximately 13 million credits over its 30-year project life, scaling to a long-term average of 0.5 million credits per year by 2030, and with initial credit generation of approximately 0.1 million carbon credits per year (after risk buffer deductions).

The Cerrado Biome project has been developed as a grouped REDD+ project, meaning that new project areas belonging to new or existing individual landholders can be added without the need for a full validation cycle for each project area.

Validation of the project by Verra's VCS was completed in 2022, which included verification of credits with historical Vintages from 2017 to 2021.

ERA has adopted the SocialCARBON standard, a framework developed in Brazil by the Ecológica Institute, to monitor social, environmental and economic Co-Benefits through 18 indicators as well as contributions to multiple UN SDGs, including Quality Education (4), Decent Work and Economic Growth (8), Climate Action (13) and Life on Land (15).

The project currently consists of two land parcels that cover approximately 11,000 hectares with expansion plans to bring in additional parcels of land to increase the annual carbon credit generation. As of May 2022, ERA has as additional 6,287 hectares under contract, that will be audited and verified in 2023. The Company's expectation, based on the current pipeline of landholders with interest in the project, is that the project's carbon credit generation will increase over time. The Cerrado Biome project is a pioneering initiative for native vegetation conservation of private lands in the Brazilian Cerrado, under significant threat due to expanding commercial agriculture (soy, corn, cattle) in the region. Also known as the "inverted forest", due to the huge and deep-dwelling root-system of its native vegetation (storing considerable amounts of carbon), it is the birthplace of key springs that feed major watersheds in Brazil and Latin America, including the largest aquifer of the continent, the Guarani. The Cerrado Biome project offers a new innovative alternative for landholders to protect surplus native vegetation while generating sustainable revenue – receiving payments for conservation through the voluntary carbon market.

The scale-up of the project is expected to take place over the first ten years, as additional landholders are added. Due to its grouped nature, there are very few incremental additional costs to expand the project. The cost to scale-up the project are expected to primarily consist of landholder outreach work, and legal/contracting costs to put the necessary legal documentation in place, as well as initial social and environmental mapping associated with Co-Benefits that the project generates in every additional property added. These costs are to be funded by ERA from the upfront deposit funds as well as revenue generated by the sale of carbon credits from the project. If the project is not able to add additional landholders, or at the rate expected, then this will impact the carbon credit revenue generating capability of the project.

The operating budget for the Cerrado Biome project is funded through revenue generated from the sale of carbon credits. ERA further provides a significant portion of its proceeds from the carbon credit sales to the participating landholders, as a financial incentive to continue the conservation of their lands. In addition, a portion of future carbon revenues under the Cerrado Biome Stream will be used to support local communities, preserve the unique biodiversity of the region and promote regional development and landscape connectivity through green corridors and agroforestry systems. Activities include environmental education and professional development, fire prevention, monitoring water quality and biodiversity preservation of the natural habitat of keystone species such as jaguars, tapirs, macaws, maned wolves, giant armadillos, and giant anteaters whose populations are threatened by agricultural expansions.

Term Sheets

Bonobo Peace Forest Term Sheet and Royalty

The Company entered into an exclusive term sheet on May 25, 2021, which was amended and restated on September 8, 2022, (the "**Bonobo Peace Forest Term Sheet**") with the Bonobo Conservation Initiative ("**BCI**") to provide funding for BCI to develop two carbon credit projects within the Bonobo Peace Forest (the "**Bonobo Peace Forest Projects**") located in the Democratic Republic of the Congo.

Pursuant to the terms of the Bonobo Peace Forest Term Sheet, the Company has advanced $1.9 million and entered into a 5% royalty agreement covering the carbon credit revenues generated from the Bonobo Peace Forest Projects (the "**Bonobo Peace Forest Royalty**"). The Company expects the Bonobo Peace Forest Royalty to lay the foundation for a streaming agreement on the Bonobo Peace Forest Projects. Specific terms of definitive streaming agreements are expected to be determined once the initial feasibility study work for the Bonobo Peace Forest Projects has been completed.

The two Bonobo Peace Forest Projects are expected to cover a total of 2,611,831 hectares, located within the Sankuru Nature Reserve and the Kokolopori Bonobo Reserve. It is expected that the REDD+ framework will be used to define the projects, both of which are anticipated to be certified under Verra's VCS. The projects are also expected to generate multiple social and economic benefits for local communities and help spearhead biodiversity conservation measures.

While the Bonobo Peace Forest Term Sheet is non-binding, by entering into the Bonobo Peace Forest Term Sheet, the Company was able to gain exclusivity to negotiate with BCI with respect to the terms of initial funding of the Bonobo Peace Forest Projects and secure a 5% royalty on any carbon credit revenues generated from the projects. The amount of any additional funding required by BCI is not yet known and there can be no assurance that a stream may result from the Bonobo Peace Forest Term Sheet.

Sugar Maple Tree Reforestation Term Sheet

On July 12, 2022, the Company entered into a term sheet (the **"Citadelle Term Sheet**") to provide C$400,000 of upfront funding to Citadelle Maple Syrup Producers' Cooperative ("**Citadelle**") for a grouped sugar maple afforestation, reforestation, revegetation (ARR) and ecosystem restoration project in Quebec, Canada. Established in 1925, Citadelle is a dynamic agroforestry cooperative of over 1,500 members who tap sugar maple trees on their lands to produce maple syrup and is one of the largest suppliers of 100% pure maple syrup globally.

Citadelle is working with project operator Down to Earth Carbon Ltd. ("**DTEC**"), a full cycle climate forest project originator, to afforest members' lands to provide structural biodiversity, enhanced watershed restoration values and sequestration of carbon from the atmosphere. Citadelle is also partnering with One Tree Planted ("**OTP**"), a non-profit organization focused on global reforestation, who will be contributing financing to each tree planted. The initial funding from Carbon Streaming is designed to enable Citadelle, DTEC and OTP to achieve the fall 2022 and spring 2023 planting windows and positions Carbon Streaming with a right of first refusal on future carbon credit-based financings.

While the Citadelle Term Sheet is non-binding and definitive funding arrangements may not materialize, by entering into the Citadelle Term Sheet, the Company was able to gain exclusivity to negotiate with Citadelle with respect to the terms of initial funding of the above-noted project. There can be no assurance that a stream or any other form of agreement may result from this term sheet.

Future Carbon Group Amazon Portfolio Term Sheet and Royalty

The Company has entered into an exclusive term sheet dated September 8, 2022 (the "**FCG Amazon Term Sheet**") with Future Carbon International LLC, the international division of the Future Carbon Group ("**Future Carbon**") which covers four REDD+ projects located throughout the Brazilian Amazon and registered with Verra, with SocialCARBON as the co-benefit standard (the "**FCG Amazon Portfolio**").

Pursuant to the terms of the FCG Amazon Term Sheet, the Company has advanced $3.0 million and entered into a 5% royalty agreement covering the carbon credit revenues generated by Future Carbon from its interest in the FCG Amazon Portfolio (the "**FCG Amazon Portfolio Royalty**"). The Company expects the FCG Amazon Portfolio Royalty to lay the foundation for a streaming agreement on the FCG Amazon Portfolio in the near future with funds being used to contribute to the development and maintenance of these projects, and grow Future Carbon in the global carbon market.

The four FCG Amazon Portfolio projects are located in the Amazon rainforest in the states of Amazonas, Mato Grosso, Pará and Rondônia, which are deemed at high risk of deforestation. Project activities will deliver multiple co-benefits to local communities while protecting forests and biodiversity. The projects aim to reduce approximately 68.3 million tCO_2e of emissions over the 30-year lives of the projects.

While the FCG Amazon Term Sheet is non-binding, by entering into the FCG Amazon Term Sheet, the Company was able to gain exclusivity to negotiate with Future Carbon with respect to the terms of a streaming agreement over the FCG Amazon Portfolio and secure a 5% royalty on any carbon credit revenues generated from Future Carbon's interest in the FCG Amazon Portfolio projects. There can be no assurance that a stream may result from the FCG Amazon Term Sheet.

Other Agreements & Investments

InfiniteEARTH Strategic Alliance Agreement

Concurrent with entering into the Rimba Raya Stream, the Company, InfiniteEARTH and the Founders entered into the SAA. Under the SAA, the Founders have agreed to provide consulting services to the Company, which will consist of carbon project advisory services, carbon credit marketing and sales services, as well as assisting the Company with due diligence initiatives on new potential carbon opportunities. In addition, the Founders have provided Carbon Streaming with a right of first refusal on any future carbon streaming or royalty financing transaction for projects that are planned in the future, which includes a portfolio of Blue Carbon projects throughout the Americas. The initial term of the SAA is ten (10) years, with the option to renew the agreement for two successive five (5) year terms. No additional fees are payable to InfiniteEARTH and the Founders during the initial ten (10) year term. The

SAA also includes certain other covenants in favour of the Company, including a covenant whereby the Founders agreed for a five-year period to vote the Founders' Common Shares in accordance with the Company's recommendations in respect of the election of directors, the appointment of the auditor, and any merger, business combination or similar change of control transaction.

Pursuant to the terms of the SAA, as consideration for the consulting services and right of first refusal on future projects, the Company made an upfront cash investment of US$4.0 million to InfiniteEARTH and issued 4,539,180 Common Shares on a post-consolidated basis (the "**Founders' Common Shares**") to the Founders for entering into the SAA. The Founders' Common Shares are currently being held by the Company as security to guarantee the obligations of InfiniteEARTH under the Rimba Raya Stream, with 1/3 of the Founders' Common Shares being released to the Founders annually. The Founders have indicated that they intend to use the consideration from the SAA to build a robust team to develop a portfolio of Blue Carbon projects through the Americas.

The transactions under the Rimba Raya Stream and SAA were completed effective August 5, 2021. Osisko has provided notice to the Company that it has elected in principle to exercise its Stream Participation Rights in respect of the Rimba Raya transaction, which includes the SAA, see "*Material Contracts – Participation Rights*". If Osisko exercises their participation rights, Osisko will pay 20% of SAA consideration.

WZ JV Agreement

The Company has formed a strategic partnership with WilsonZinter Enterprises Ltd. ("**WZ**"), a First Nations business in British Columbia, to source and finance opportunities in collaboration with British Columbia First Nations and develop projects within their territories to combat climate change through the reduction of GHG emissions. In partnership, the Company and WZ will meet with First Nations officials to finance and develop carbon offset projects to meet such anticipated project benefits as reforestation and improved forestry management, wetland restoration, and associated efforts to protect the area's rich biodiversity and partnership with First Nations to offer sustainable economic development, employment, and environmental education opportunities for self-sufficient communities. No carbon offset projects have been developed with WZ as of the date of this AIF.

Carbon Fund Advisors

As of the date of this AIF, Carbon Streaming holds a 50% equity interest in Carbon Fund Advisors, sub-advisor of the Carbon Strategy ETF (NYSE: KARB). The investment supports Carbon Fund Advisors' launch of the Carbon Strategy ETF, an actively managed thematic ETF that aims to provide investors with exposure to the growing compliance markets. The fund uses the Carbon Streaming BITA Compliance Index as a reference index, which tracks the performance of the compliance carbon markets through an allocation into a series of carbon allowances futures contracts. The Carbon Strategy ETF is expected to initially hold futures contracts for carbon allowances in some of the most heavily traded compliance carbon markets located in Europe and North America, including European Union Allowances (EUA), California Carbon Allowances (CCA), and the Regional Greenhouse Gas Initiative (RGGI) CO_2 Allowances.

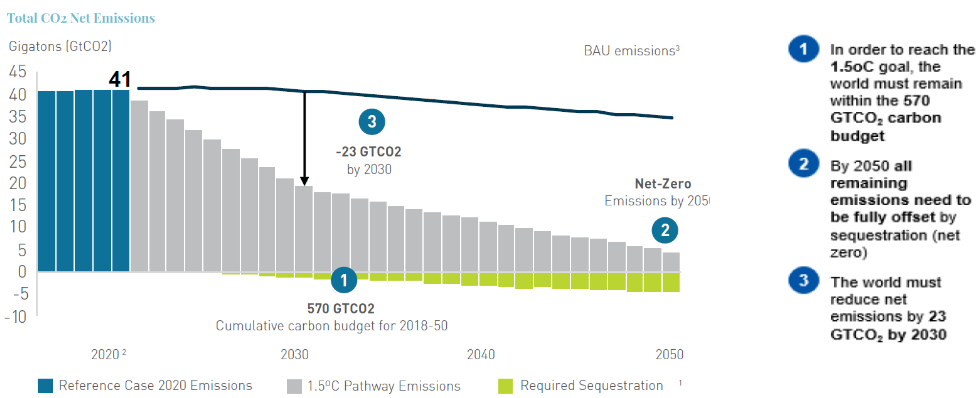
Background on Carbon Markets

Global Climate Initiatives

The United Nations Framework Convention on Climate Change ("**UNFCCC**"), signed in 1992, established an international environmental treaty to "prevent dangerous human interference with the climate system". The framework was designed primarily as a means to begin and support a process for future, and more detailed, agreements about how to respond to climate change.

In 2015, as a key element under the UNFCCC, the Paris Agreement (the "**Paris Agreement**") was adopted to set the world on a course towards sustainable development, aimed at holding global average temperature increases to 2°C above pre-industrial levels, while also pursuing efforts towards limiting the temperature increase even further to 1.5°C. Reaching the 1.5°C target requires that GHG emissions are cut by approximately 50% by 2030 and a balance between GHG emissions and removals, known more simply as the "net-zero" goal, is reached by 2050.

Pathway to reach the 1.5°C goal of the Paris Agreement (Total CO_2 Net Emissions)[1]



Notes:

(1) 570GT of cumulative CO_2 emissions from 2018 for a 66% chance of a 1.5°C increase in global mean surface temperature (GMST)
(2) While emissions fell by a quarter at the peak of COVID-related lock-down, daily emissions have rebounded to be only 5% lower than 2019 levels. Scenarios to 2050 remain the same. From Nature: Current and future global climate impacts resulting from COVID-19
(3) Business-as-usual emissions. Source: McKinsey 1.5oC Scenario Analysis; IPCC; Le Quéré et al. 2018

In August 2021, the Intergovernmental Panel on Climate Change ("**IPCC**") released their Sixth Assessment report, which stated "Global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO_2) and other greenhouse gas emissions occur in the coming decades." According to the report, even with drastic emissions cuts to 2030, average temperatures could still rise 1.5°C by 2040 and possibly 1.6°C by 2060 before stabilizing, a decade earlier than the IPCC concluded in its previous report published less than three years ago.[2]

[1] Taskforce on Scaling Voluntary Carbon Markets, Final Report, January 2021.
[2] IPCC, Sixth Assessment Report: Climate Change 2021 – The Physical Science Basis, August 9, 2021.

In response to the Paris Agreement and net-zero goal, countries have increased their commitments to reduce global GHG emissions. In 2020 and 2021, many countries announced more aggressive GHG emission reduction goals while others pledged to be "carbon-neutral" or "net-zero" by 2050. The Energy and Climate Intelligence Unit, a non-profit organization in London, UK, currently tracks the net-zero commitments of countries, which can be found on their website at https://eciu.net/netzerotracker.

As more organizations around the world commit to the Paris Agreement and recognize the need to drastically curtail GHG emissions, the need for companies to share ideas and work through bodies such as International Emissions Trading Association ("**IETA**"), a non-profit business organization created in June 1999 to establish effective market-based trading systems for GHG emissions and removals that are environmentally robust, fair, open, efficient, accountable and consistent across national boundaries, has never been more pressing. In 2021, the Company became a member of IETA. With its preeminent position in the carbon market, acceptance to IETA provides members with direct access to industry intelligence, participation in international discussion and insight into policy. As an IETA member, Carbon Streaming is part of an expert collective that ensures carbon markets function fairly and transparently as they continue to scale.

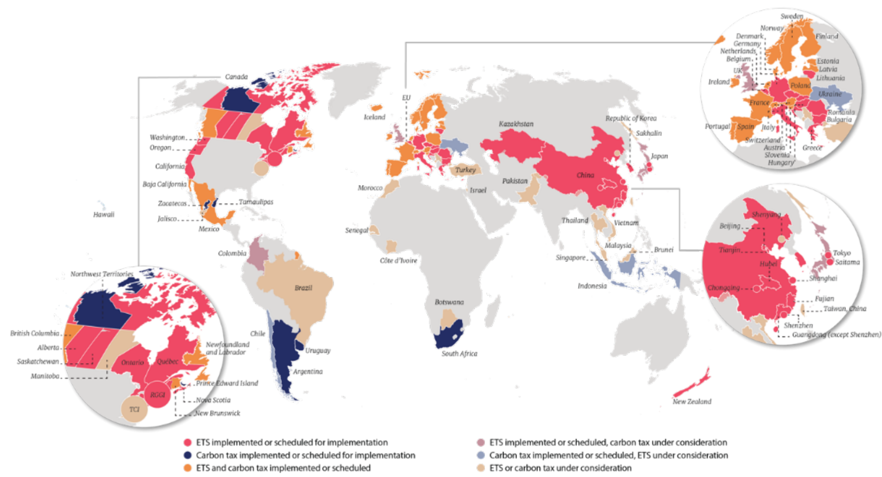
Carbon Pricing

Carbon pricing is expected to play a critical role in efforts to achieve the net-zero goal by incentivizing innovation and progress in decarbonization technologies. Carbon pricing is about recognizing the cost of pollution and accounting for those costs in daily decisions while incentivizing consumers and producers to shift away from high-emissions processes and products to low-carbon alternatives.

Carbon pricing essentially puts a price on GHG emissions, which is often expressed as a monetary unit per tCO_2e. Carbon dioxide equivalent converts other GHGs, such as methane and nitrous oxide, into the amount of CO_2 which would have the equivalent global warming impact. It enables different GHGs to be combined and described in a common unit.

Carbon pricing is being used by governments as a cost-effective tool to achieve their GHG emission reductions goals. According to the World Bank Group, there are presently 68 carbon pricing initiatives in the form of carbon taxes or emissions trading systems ("**ETS**") that have been implemented or are scheduled for implementation by national, subnational or regional jurisdictions. In an ETS, a jurisdiction or a coalition of members sets a cap on the total annual GHG emissions to be generated by specific industries. The cap then typically declines annually to achieve the climate goals of the jurisdiction or members. Carbon allowances equal to the emissions cap may then be freely allocated and/or auctioned to emitting entities who may then trade these allowances between them.

Global Carbon Pricing Initiatives (ETSs and carbon taxes) by Region[3]



Carbon pricing initiatives are considered "scheduled for implementation" once they have been formally adopted through legislation and have an official, planned start date. Carbon pricing initiatives are considered "under consideration" if the government has announced its intention to work towards the implementation of a carbon pricing initiative and this has been formally confirmed by official government sources. TCI refers to Transportation and Climate Initiative. RGGI refers to the Regional Greenhouse Gas Initiative.

Carbon prices in many jurisdictions, however, remain substantially lower than those needed to achieve the objectives of the Paris Agreement. In 2017, the report of the Carbon Pricing Leadership Coalition's High-level Commission on Carbon Pricing recommended that prices should be between \$40/tCO_2 and \$80/tCO_2 in 2020, increasing annually to reach between \$50/tCO_2 and \$100/tCO_2 by 2030 to remain within 2°C increase over preindustrial global average temperatures. However, despite carbon prices hitting their highest levels in a number of jurisdictions in 2021, less than 4% of global emissions attract a direct carbon price above the lower end of this range.

Companies have also begun incorporating an internal carbon price into their business operations, risk management and investment decisions to account for current or future regulation that could increase the cost of emissions. An internal carbon price places a charge on the amount of carbon dioxide emitted from assets and/or investment projects so a company can see its financial impact on its business. According to a recent report by the CDP[4], corporate adoption of carbon pricing is rising, with the number of companies using or planning to use an internal carbon price increasing 80% over the last five years to more than 2,000 companies with a combined market capitalization of US$27 trillion. This includes nearly half (226) of the world's 500 biggest companies by market capitalization. CDP's analysis found that the median internal carbon price disclosed by companies in 2020 was US$25 per tonne of CO_2e, which is below the level some experts say is needed to achieve the goals of the Paris Agreement. The UN Global Compact calls on companies to set an internal carbon price at a minimum of US$100 per metric ton over time.

Overview of Carbon Credit Markets

The Kyoto Protocol, which went into force on February 16, 2005, operationalized the UNFCCC by having countries commit to limit and reduce their GHG emissions in accordance with agreed individual targets. The protocol set binding emission reduction targets for 37 industrialized countries and economies in transition and the European Union which added up to an average of 5% below 1990 levels over the five-year period 2008 to 2012 (the first commitment period). The Kyoto Protocol served to pioneer new

[3] The World Bank, State and Trends of Carbon Pricing 2022.

[4] CDP, Putting a Price on Carbon, April 2021.

approaches for fighting climate change and two broad types of carbon markets emerged: compliance and voluntary.

The Kyoto Protocol enabled the 15 original member states of the European Union to join together to be treated as a single entity with one emissions cap for compliance purposes and led to the creation of the EU Emissions Trading System ("**EU ETS**"), which came into force in 2005. The EU ETS was the world's first ETS and today remains the largest compliance carbon market by transaction value and volume (it was also the largest ETS by covered emissions until China launched its national ETS in July 2021). As discussed in "*Carbon Pricing*", ETSs are created and regulated by national, subnational or regional jurisdictions and collectively form the compliance carbon markets. Carbon allowances that are created in an ETS are primarily traded within their specific compliance market, but can also be traded on secondary markets, which may or may not be regulated. The transaction value of the global compliance carbon markets has grown from €186 billion (US$220 billion) in 2018 to €760 billion (US$899 billion) in 2021. That represents a compound annual growth rate (CAGR) of approximately 60%.[5]

The global voluntary carbon markets function outside of the compliance market(s) and allow corporations, governments, asset managers and individuals that have voluntarily agreed to compensate for their GHG emissions, to purchase carbon credits to help achieve their sustainability goals. Carbon credits are purchased on the voluntary market and then "retired" by the purchaser to compensate for their GHG emissions. The issuing, transferring and retiring of carbon credits is executed through a Registry maintained by a Standard Body (e.g., Verra, Gold Standard, American Carbon Registry, the Climate Action Reserve and Puro.earth). Registries maintain transaction records for all issuances, transfers and retirements throughout a project's carbon credit life cycle.

Some carbon credits created in the voluntary markets are permitted to cover a portion of the emissions of a regulated entity in certain jurisdictional carbon pricing programs. Because demand for compliance carbon credits is driven by regulatory obligations, their prices tend to be higher than carbon credits issued solely for the voluntary market.

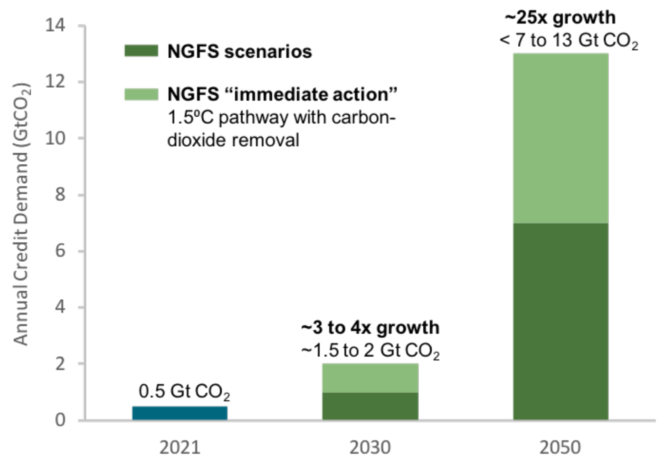
Currently, the voluntary markets represent a small portion of the total carbon market, with approximately $2 billion traded in 2021, representing 493.1 $MtCO_2e$ in carbon credits.[6] In comparison, global compliance markets traded $899 billion in value representing a volume of 15.8 $GtCO_2e$ in 2021.[7] The voluntary markets currently trade less than 1% of the value and less than 5% of the volume of the compliance carbon markets.

However, voluntary markets have recently experienced strong growth in both volume and value which is forecast to continue. In 2021, value and volume increased by approximately 143% and 284%, respectively, over 2020 in which 202.7 $MtCO_2e$ traded representing around $520 million in value.[8]

Scenarios developed by the Network for Greening the Financial System ("**NGFS**") forecast that demand in the voluntary market for carbon credits could grow by approximately 3-4-fold to 1.5 to 2 $GtCO_2$ of carbon credits per year in 2030 from 2021, and by approximately 25-fold to 7 to 13 $GtCO_2$ per year by 2050.[9]

[5] Refinitiv, Carbon Market Year in Review 2021, 1/31/22. (2018: $1 = 0.847 euros and 2021: $1 = 0.845 euros).
[6] Ecosystem Marketplace "State of the Voluntary Carbon Markets 2022 Q3", August 2022**.**
[7] Refinitiv, Carbon Market Year in Review 2021.
[8] Ecosystem Marketplace "State of the Voluntary Carbon Markets 2022 Q3", August 2022
[9] McKinsey & Company, A blueprint for scaling voluntary carbon markets to meet the climate challenge, January 2021. These amounts reflect demand based on CO_2 removal and sequestration requirements under the NGFS's 1.5°C and 2.0°C scenarios.

Voluntary Credit Demand Scenarios in 2030 and 2050



Carbon Credit Exchanges & Pricing

Carbon credits are traded on both private and public markets. Some exchanges that specialize in the trading of compliance carbon credits include the European Climate Exchange, the NASDAQ OMX Commodities Europe exchange, and the European Energy Exchange. A significant portion of voluntary carbon market trading is conducted over the counter (OTC), but some exchanges that specialize in the trading of voluntary carbon credits include CBL, CIX, and Air Carbon. The prices of carbon credits are primarily driven by the levels of supply and demand in the markets. See "*Description of the Business – Overview – Carbon Credit Sales – Sales Channels".*

There are several factors that determine the price paid for a particular voluntary carbon credit including: project activity (such as forestry, renewable energy, waste disposal, carbon capture, etc.), location, Vintage, the Standards and associated Co-Benefits, such as job creation, water conservation or preservation of biodiversity.

Projects Generating Carbon Credits

Avoidance / Reduction projects aim to avoid or reduce the release of GHG emissions into the atmosphere. Examples of avoidance / reduction activities include preventing deforestation, forest degradation or land conversion; improving forestry practices; deploying fuel-efficient cookstoves and water filtration devices; improving energy efficiency or avoiding landfill waste and methane emissions; and reducing emissions from farming practices. Avoided deforestation, whether involving forests, coastal areas, often referred to as Blue Carbon, or savanna-type areas involving avoided conversion of grasslands and shrublands ("**ACoGs**") use the Reducing Emissions from Deforestation and Forest Degradation ("**REDD+**") mechanism developed by the UNFCC.

Removal / Sequestration projects aim to capture GHGs from the atmosphere and store the gases long-term. These types of projects can be nature-based (e.g., using trees or soil to sequester and store carbon)

Both amounts reflect an assumption that all CO_2 removal and sequestration results from carbon credits purchased on the voluntary market (whereas some removal and sequestration will result from carbon credits purchased in compliance markets and some will result from efforts other than carbon-offsetting projects).

or technology-based (using technologies like direct air carbon capture and storage ("**DACCS**") or bioenergy with carbon capture and storage ("**BECCS**"), including Biochar).

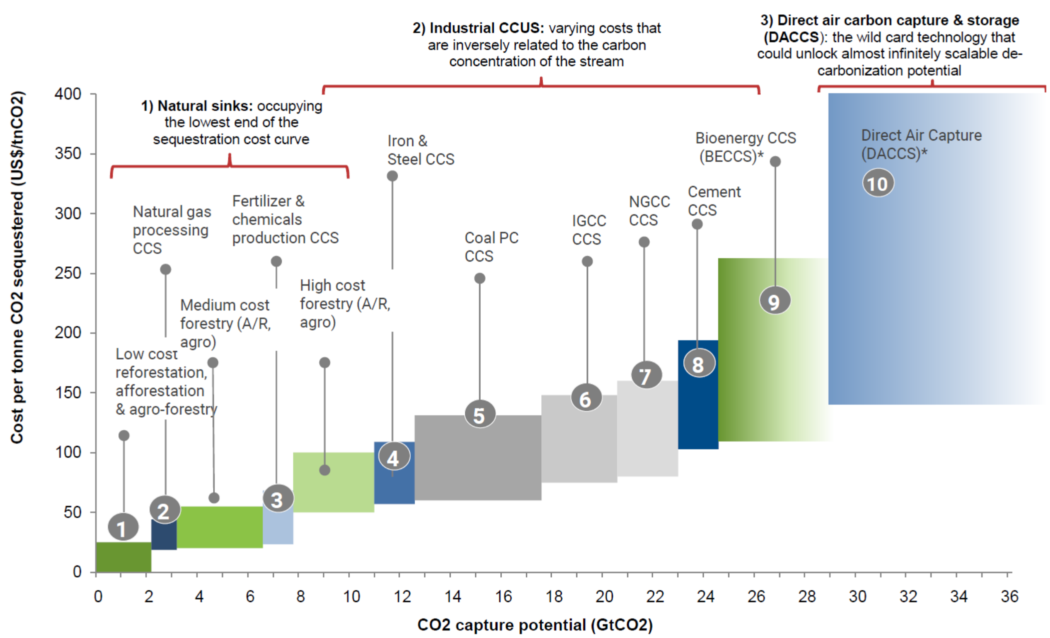
Within the categories of Avoidance/ Reduction and Removal/ Sequestration, there are multiple types of projects, some of which are explained in further detail below.

- *Forests.* Approximately 80% of the earth's above-ground carbon and 40% of below-ground carbon is in forests. Forestry projects have been popular not only because of the carbon sequestration potential of forests, but also for their ability to potentially deliver additional environmental and social benefits for local communities, such as job creation, water conservation, flood prevention, control of soil erosion, protection of fisheries and preservation of biodiversity, cultures and traditions. Afforestation projects are efforts that help create a forest on land that was previously barren. Reforestation projects, on the other hand, involve replanting trees in an area that has been deforested. Collectively, afforestation and reforestation projects act as carbon sinks (e.g., natural or artificial deposits that store more carbon than they emit, such as oceans, forests and artificial carbon sequestration technologies that remove carbon from the air). Forest conservation (avoided deforestation) projects protect existing forests that would have otherwise been deforested without the revenue generated from carbon credits.
- *Improved energy efficiency.* Improved energy efficiency can be achieved by the installation of energy efficient products and technologies, fuel switching or the substitution of fossil fuel generation assets with solar, wind, hydro, geothermal or biomass alternatives. Cookstove and water filtration projects also represent examples of improved energy efficient projects.
- *Methane capture or avoidance.* These projects either capture methane (a type of GHG) or reduce its emissions from landfills, agricultural or other sources and by doing so can have additional benefits of lowering the risk of groundwater and soil contamination and air pollution for adjacent communities. These projects generally either capture methane or reduce its emissions by flaring or improved waste management activities.
- *Biochar.* Biochar, short for biological charcoal, is an example of a technology-based carbon capture and storage project. Biochar is a very stable form of carbon and is produced by heating organic feedstocks known as biomass, which includes many types of organic waste (such as wood, peanut shells, manure and crop waste) in the near or total absence of oxygen. Biochar has the potential to sequester more than one billion tonnes of carbon dioxide every year by 2050 and can store the carbon for centuries.
- *Wetland restoration.* Wetlands are globally important carbon sinks, storing vast amounts of carbon. Peatlands hold a disproportionate amount of the earth's soil carbon, and coastal wetlands such as mangroves, salt marshes and sea grass beds are vital for the sequestration of Blue Carbon (the high-density and long-life carbon that accumulates in coastal systems as a result of their high productivity and sediment trapping ability). Blue carbon ecosystems are major sources for sequestering and storing carbon. According to the National Oceanic and Atmospheric Administration of the United States (NOAA), mangroves and coastal wetlands annually sequester carbon (the process of capturing carbon dioxide from the atmosphere) at a rate ten times greater than mature tropical forests. They also store three to five times more carbon per equivalent area than tropical forests.

The Cost of Carbon Credit Projects

There are many different types of carbon credit projects which may have various cost points per tonne CO_2e sequestered. See "Description of Business – *Overview – Projects Generating Carbon Credits*". The table below shows the steep cost curve associated with carbon sequestration activities, which includes natural carbon sinks and carbon capture and storage ("**CCS**") that reduce net emissions by removing carbon from the atmosphere. The table depicts carbon abatement potential as a result of prospective sequestration technologies. Given the carbon abatement potential of DACCS is potentially limitless, the x-axis is arbitrary and not intended to define potential bounds.

Carbon sequestration cost curve (US$/$tCO_2$) and the GHG emissions abatement potential ($GtCO_2$)[10]



* Indicates technologies primarily in early development/ pilot phase with wide variability in the estimates of costs

As the cost curve demonstrates, high carbon prices are expected to be required to fund the activities needed for the world to reach net-zero emissions, some of which involve new and innovative technologies that require significant capital to reach commercial scalability.

Credit Verification Standards Bodies

Standards Bodies set the project design, implementation, monitoring, verification and reporting criteria against which a project's GHG emission reductions or removal activities and/or environmental and social Co-Benefits can be certified or verified. In the voluntary markets, a number of independent and competing Standard Bodies have emerged with the intent to increase credibility in the marketplace. Some of the Standards that are more commonly used and internationally recognized include the VCS administered by Verra, Gold Standard, American Carbon Registry, the Climate Action Reserve and Puro.earth. Currently, the Company has streaming agreements in place for projects that are certified or expected to be certified by VCS, Gold Standard and Puro.earth. Many of the Standards Bodies are non-profit organizations. The following table provides a general overview of each of these standards.

[10] Goldman Sachs, Carbonomics – Introducing the GS net zero carbon models and sector frameworks, June 23, 2021 (from IPCC, Global CCS Institute, Goldman Sachs Global Investment Research).

Standard[1]	Description	Eligible Projects	Unit	Co-Benefits Programs[2]
Verra VCS	One of the most widely used voluntary GHG programs in the world with nearly 1,700 certified VCS projects. In addition, according to Ecosystems Marketplace, as of August 2021, over 85% of all transacted voluntary carbon credits in 2021 were issued through Verra	Project types across 12 broad categories including REDD+, Wetland Restoration, Regenerative Agriculture and Reforestation	Verified Carbon Units (**VCUs)**	Climate, Community, & Biodiversity Standards (CCB) and SD VISta
Gold Standard	Standard that sets requirements to design projects for maximum positive impact in climate and development— and to measure and report outcomes in the most credible and efficient way. Gold Standard is ISEAL Code Compliant and been independently evaluated against ISEAL's Codes of Good Practice—a globally-recognized framework for effective, credible sustainability systems.	Renewable energy and energy efficiency projects; land use and NBS solutions excluding REDD+; waste management; water benefits.	Verified Emission Reductions (**VERs**)	Primary certification factors in Co-Benefits
Puro.earth	The first B2B marketplace, standard and registry focused solely on carbon removal. Nasdaq acquired a majority stake in Puro.earth in June 2021.	Four approved methodologies and one pilot methodology exclusive to carbon removal project types including biochar	CO_2 removal Certificates (**CORCs**)	No Co-Benefit program associated with the standard as it focuses on technological removals

Notes:

(1) Project Registry Links: Verra: https://registry.verra.org; Gold Standard: https://www.goldstandard.org/resources/impact-registry; Puro.earth: https://registry.puro.earth/carbon-sequestration

(2) See *"– Overview of Carbon Credit Markets – Co-Benefits Accreditation"* below.

One of the major roles of a Standard Body is to outline approved carbon accounting methodologies for carbon credit generation. The methodology applied during the initial project design stage will directly influence the duration of the crediting period for the project as well as expected annual carbon credit generation. The project partner is responsible for, among other things, selecting a methodology that is appropriate for the project, making sure the project conforms to the requirements of the methodology, engaging in the registration process with the applicable Standard Body, and cooperating in the annual verification process that ensures the continued generation of credits over the life of the project.

The Standards help uphold the integrity of carbon credit projects by subjecting them to a rigorous set of rules and requirements. Once projects have been certified as meeting the requirements of the applicable Standard and one or more of its methodologies, project partners can be issued tradable carbon credits by the Standard.

Carbon credits that are certified or verified by recognized Standards are generally required to meet the following criteria:

- *Real, quantifiable and measurable.* The emission reductions or removals must be realized and quantified using a recognized methodology expressed using standard GHG metrics. For example, a range of factors are considered when estimating carbon credits from improved forest management, including existing timber inventory (e.g., age, species, volume), forest management, sustainability constraints, timing of harvests and regeneration strategies, among others. They also cannot be double counted or double claimed.
- *Additional.* The project activity must be additional. That is, it would not have existed in the absence of carbon market initiatives and the project reduces emissions or removes carbon dioxide from the atmosphere beyond a business-as-usual scenario. For example, claiming carbon credits from the reduction of methane from a landfill that was required by regulation to capture and destroy that methane would not be considered additional. Similarly, using carbon credits to fund an activity where other similar activities do not require carbon financing, or have significant non-carbon income, may not be considered additional.

- *Permanent.* Carbon credits must represent emission reductions or removals that will not be reversed after the credit is issued. If non-permanence is a material issue (e.g., wildfires) then buffer pools will usually be put in place to minimize that risk, and account for reversals should they occur. For project's subject to permanence risk, a risk rating is assessed during the validation process and an associated number of credits withheld for each year to create a buffer account.
- *Verified.* The emission reductions or removals from the project should be monitored, reported and verified by a qualified, independent third-party, a 'validation and verification body' ("**VVB**"), in accordance with the applicable Standard(s).
- *Leakage accounted for and minimized*: The carbon credit project should not lead to an increase in emissions elsewhere, or safeguards must be in place to monitor and mitigate any increase that occurs (e.g., leakage deductions from the emission reductions measured).
- *Do no net harm*: Projects should not violate laws, regulations or treaties and environmental and social safeguards must be in place to minimize detrimental effects.

The Integrity Council for the Voluntary Carbon Market ("**ICVCM**"), which was formed to carry on the work of the private sector-led initiative the Taskforce on Scaling Voluntary Carbon Markets, was tasked with the establishment of the Core Carbon Principles ("**CCPs**"), a set of threshold standards to set a global benchmark for carbon credit quality. On July 27, 2022, the ICVCM released a draft of its CCPs, which aim to provide a "credible, rigorous, and readily accessible" global threshold standard for high-integrity carbon credits that create real, additional and verifiable climate impact, in line with the 1.5°C goal of the Paris Agreement, while avoiding negative environmental and social side effects. The ICVCM also released drafts of an Assessment Framework, which provides guidance on whether carbon credits meet the CCPs' criteria, and an Assessment Procedure, which outlines a process for approving and tagging credits. A two-month comment period ends on September 27, 2022. The ICVCM aims to publish official versions of the CCPs, Assessment Framework and Assessment Procedure in calendar Q4 2022 and start assessing carbon-crediting programs and methodologies in the first calendar quarter of 2023.

Project Registration & Development Process

In order for the Standard Bodies to ensure credits issued are real, quantifiable, additional, not overestimated, permanent, not double counted or claimed, and avoiding harms, a rigorous registration process must be undertaken.

Project Design

The registration process starts with project design, where the project partner outlines specific project activities, including implementation costs, conducts stakeholder consultation, and selects the carbon accounting methodology for quantifying GHG emission reductions and removals, and estimates the carbon benefits according to this methodology. All of these elements are assembled into a comprehensive package that is submitted to the applicable Standard Body for consideration.

Project Validation

An approved third-party auditor will be contracted to conduct an independent review of the proposed project. This process, known as 'validation' under Verra, can take up to one year and will involve elements of both site visits and a comprehensive desk review. At the end of the review, a validation report from the third-party auditor along with a final project document is submitted to the Standard Body for final review, approval and registration.

Project Development

After receiving approval and registration from the Standard Body, the project is permitted to generate emission reductions or removals by undertaking the implementation activities defined in the project document. Specific activities are undertaken to implement the project such that it is able to reduce or remove GHG emissions. Examples of development activities include initiatives such as avoiding or deterring deforestation; reforestation planting activities; construction of facilities to capture GHG from the atmosphere; and the manufacture, distribution and documentation of fuel-efficient cookstoves.

Monitoring, Review and Verification

Once a project is registered with the applicable Standard Body, it is required to be monitored and reviewed by independent auditors on a regular basis. Projects carry out the expected activities, and at the end of each monitoring period, these activities are compared with the activities outlined in the project documents by an independent auditor. The project partner completes a monitoring report and the auditor assesses this monitoring report through a desktop review and a site visit. The auditor then issues a report verifying that the project has met all requirements outlined by the applicable Standard and has correctly calculated and reported actual net GHG emission reductions and removals achieved during that monitoring period. Due to unplanned factors such as capacity restrictions within VVBs or a Registry, travel restrictions such as for COVID-19 that may delay site visits, the time required for the project partner to rectify any concerns raised by the VVB prior to issuance and other issues often out of the control of the project partner, issuance of credits may not take place once a year in practice. See "*Risk Factors – Registration, Validation, Verification, Cancellation and other risks associated with carbon credits*". Monitoring periods can often range from one to five years, meaning that credits issued in a particular year may include more than one Vintage.

Credit Issuance

Once emission reductions or removals have been independently verified by the applicable Standard Body, credits are then issued by its Registry to the project partner or as instructed by the project partner. Generally, credits are verified and issued six to 12 months following the completion of each monitoring period. This process typically continues on approximately an annual basis, so that batches of credits are issued once per year and cover the recently completed monitoring period. Under most Standards, credits are assigned a vintage, which often corresponds to the year in which the associated emission reduction or removal occurred (the "**Vintage**"). For newly verified projects, the initial issuance of credits will often incorporate multiple Vintages to capture historical emission reductions or removals, due to the nature of the initial validation and verification processes. Once issued by the applicable Standard Body, credits are available for sale to end-users or other market participants.

Co-Benefits Accreditation

Projects can also achieve additional accreditation under other assessment standards (which are not carbon accounting standards) such as the CCB Standard, SocialCARBON and SD VISta. When applied to carbon offset projects, Co-Benefit accreditation allows carbon credits to be differentiated based on their underlying positive social, biodiversity and sustainability impacts. For example, the CCB Standard identifies projects that simultaneously contribute to addressing climate change, supporting local communities and smallholders, and preserving biodiversity and the SD VISta assesses the sustainable development benefits of a project based on the 17 UN SDGs.

Other Information Relating to the Company's Business

Specialized Skills and Knowledge

The Company's business requires professionals with skills and knowledge in diverse fields of expertise. The management team, Board and Advisory Board include experts in the fields of streaming, sustainability, conservation, academia, accounting, law and finance who have extensive relationships and networks in their respective industries. As the carbon markets continue to grow and evolve and the Company implements its strategy, the Company will continue to rely on its personnel. See "*Risk Factors – Dependance upon Key Management".*

Sustainability

The Company is committed to operating in a sustainable manner to create long-term value for our stakeholders and recognizes the importance of a strong Environmental, Social and Governance ("**ESG**") framework to support this goal.

The Company has a robust governance structure and has adopted a comprehensive set of corporate policies, including a Code of Business Conduct and Ethics (the "**Code**"), which reflects its commitment to this standard. A copy of the Code can be found on the Company's website at www.carbonstreaming.com. The Company is committed to upholding the values set out in its Code and conducting business fairly, with integrity and in compliance with applicable laws. It also has an Anti-Bribery and Anti-Corruption Policy to reinforce the Code.

In addition, the Company has an ESG Policy, which articulates the environmental, social and governance standards for management, and has created an impact investing policy which articulates the Company's approach to allocation of capital, focusing on projects that have a positive impact on the environment, local communities, and biodiversity. The investment committee, comprised of senior management, the Board and members of the Advisory Board reviews proposed transactions identified by management and makes recommendations regarding such transactions to the Board. At present, the committee is comprised of the following individuals: Kristen Kleiman (Chair), Maurice Swan, Candace MacGibbon, Jeanne Usonis, Justin Cochrane, Geoff Smith and Michael Psihogios with other members added on an ad hoc basis. See "*Description of the Business — Sustainability Impact*". The Advisory Board is comprised of individuals with strong backgrounds in the areas of carbon markets, forest management and development, carbon credit projects, marketing, corporate governance and the like to assist the Company in making sophisticated decision when deciding where to allocate its capital. See *"– Advisory Board*".

Given the decades long relationship that may result from a carbon credit stream, the Company believes it is vitally important to align with project partners who share our goal to be instrumental in the transition to a sustainable, net-zero future. In deciding where to allocate our capital, we strive to make a sustainable impact beyond the reduction or removal of GHG emissions by looking for projects with Co-Benefits. In connection with entering into the Community Carbon Stream, the Company agreed to donate a portion of the Portfolio's carbon credit sales revenue over the life of the stream. See *"– Overview of the Company's Carbon Credit Projects – Projects"*.

In 2021, the Company took steps towards enhancing its ESG framework by engaging sustainability consultants to assist in calculating a GHG footprint for Scopes 1, 2 and partial 3 emissions and to conduct a materiality exercise with senior management to align high priority ESG topics. The Company expects to deliver its first Sustainability Report in late 2022 covering the financial year ended June 30, 2022. This report, which we expect to release annually, will detail ESG priorities and progress, including qualitative and, where feasible, quantitative impact metrics.

Governance

The Board currently consists of eight directors, a majority of which are independent. See "*Directors and Officers*". The Board has four committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Sustainability Committee.

The Board, directly and through its standing committees, works with management to develop fundamental policies and establish strategic objectives that preserve and enhance the sustainability of the business and value of the Company. The Board, through the Sustainability Committee, has oversight of environmental, social and governance matters including evaluating and assessing the performance and effectiveness of the Company's ESG policies and procedures, oversee the Company's charitable donation and community involvement initiatives and reviewing the Sustainability Report and making a recommendation to the Board for approval.

Advisory Board

Currently, the Company's advisory Board consists of the following:

Kristen Kleiman. Ms. Kleiman is a carbon consultant working with organizations looking to better understand the carbon markets. Previously, she was the Chief Investment Officer at The Climate Trust, where she co-led its day-to-day operations. She also managed Climate Trust Capital and its Fund I portfolio. While at The Climate Trust, Ms. Kleiman tracked carbon offset markets and pricing and was responsible for The Climate Trust's price forecasts and market intel that informed sales strategy and negotiations. She is an institutional investment expert with over 25 years of experience with particular expertise in sustainable timberland investments. She was a member of the Board of Directors for two international forestry companies and a central participant in investment decision-making for two timberland investment management firms.

Robert Falls, Ph.D., R.P.Bio. Mr. Falls is currently serving as an Adjunct Professor with U.B.C.'s Forest Sciences Center and is Chair of the B.C. Forest Summit's Carbon Task Force. He holds a Ph.D. in Resource Management Science from U.B.C. (1990), where he researched carbon sequestration. His multidisciplinary work history includes roles in the natural gas, climate mitigation, renewable energy, forest and carbon trading industries. Working in Canada, China, and the U.S. (Hawaii), he has developed sustainability and climate policy and projects with major energy corporations and industry associations, as well as local and senior governments and First Nations.

Sean Roosen. Mr. Roosen is the Executive Chair of the Board of Directors of Osisko. Mr. Roosen was a founding member of Osisko Mining Corporation (2003) and of EurAsia Holding AG, a European venture capital fund. Mr. Roosen has over 30 years of progressive experience in the mining industry. As founder, President, Chief Executive Officer and Director of Osisko Mining Corporation, he was responsible for developing the strategic plan for the discovery, financing and development of the Canadian Malartic Mine. He also led the efforts for the maximization of shareholders' value in the sale of Osisko Mining Corporation, which resulted in the creation of Osisko. Mr. Roosen is an active participant in the resource sector and in the formation of new companies to explore for mineral deposits both in Canada and internationally. In 2017, Mr. Roosen received an award from Mines and Money Americas for best Chief Executive Officer in North America and was, in addition, named in the "Top 20 Most Influential Individuals in Global Mining". In prior years, he has been recognized by several organizations for his entrepreneurial successes and his leadership in innovative sustainability practices. Mr. Roosen is a graduate of the Haileybury School of Mines.

Bart Simmons. Mr. Simmons is the President of Quillicum Environmental Services Ltd., which is focused on the restoration of degraded riparian zones. He has over 40 years of silviculture and watershed management experience and is one of the very few ecologists that understands the importance of riparian ecosystems to water quality and fish and wildlife habitat in both urban and remote watersheds. He helped develop the assessment methodology for the Ministry of Environment, Lands and Parks and Ministry of Forests Watershed Restoration Technical Circular No. 6 – Riparian Assessment and Prescription Procedures guideline. Prior to Quillicum, Mr. Simmons was the Chief Operating Officer at REDD Systems LLC and ERA Ecosystem Restoration Associates Inc.

Employees

As of the date of this AIF, the Company had sixteen (16) employees in total. The Company also employs a number of consultants from time to time to assist with various aspects of the administration of its business.

Bankruptcy and Similar Procedures

The Company has not been the subject of bankruptcy, receivership or similar proceedings (voluntary or otherwise) in the three most recently completed financial years or during or proposed for the current financial year.

Reorganizations

The Company has not been the subject of any material reorganization within the three most recently completed financial years or completed during or proposed for the current financial year, other than described in "*General Development of the Business – Three Year History*" involving the consolidation of its Common Shares on June 15, 2020 and October 25, 2021, the Amalgamation, the appointment of new management, the adoption of a new business strategy focused on carbon markets, and the raising of significant financing.

RISK FACTORS

An investment in the Company's securities is subject to various risks and uncertainties, including those set out below, under the heading "*Forward-Looking Information*" and elsewhere in this AIF. Such risks and uncertainties should be carefully considered by an investor before making any investment decision. If any of the possibilities described in such risks actually occurs, the Company's business, financial condition and operating results could be materially adversely affected. Investors should carefully consider the risks and uncertainties described below as well as the other information contained in this AIF. The risks and uncertainties described below are not the only ones the Company may face. The following risks, together with additional risks and uncertainties not currently known to the Company or that the Company may deem immaterial, could impair the Company's business, financial condition and results of operations. The market price of the Common Shares or Warrants could decline if one or more of these risks and uncertainties develop into actual events, and investors may lose all or part of their investment.

Commodity and Currency Risk

Fluctuating price of carbon credits

The Company's business is strongly affected by the market price for carbon credits. If the market price of carbon credits were to drop and the prices realized by us were to decrease significantly and remain at such a level for any substantial period, our forecast profitability and cash flow would be negatively affected.

A principal factor anticipated to affect the trading price of the Common Shares and Warrants are factors which affect the price of carbon credits and are thus beyond our control. For example, over the course of the financial year ended June 30, 2022, the price of CBL Nature-Based Global Emissions Offset ("**N-GEOs**") ranged from a low of $4.90 to a high of $16.19 and REDD+ OPIS carbon credits ranged from a low of $6.70 to a high of $16.31. These ranges were the result of many factors, including changing demand from credit end-users, political developments (including heightened awareness of net zero commitments due to COP-26), speculative activity from the investor community, changes in energy prices and general economic conditions (including the wider global economic slowdown and recent negative general economic sentiment). While the Company seeks to mitigate these risks by acquiring streams and credits from diversified projects (by geography, project type and crediting standard), the price of carbon credits (individually or in the aggregate) will continue to be impacted by these factors, general economic, political or regulatory conditions, including the level of commitment to the goals of the Paris Agreement by both governments and corporations and other private and public initiatives aimed at reducing GHG emissions. Furthermore, in connection with tensions related to the ongoing conflict between Russia and Ukraine, and economic sanctions imposed in relation thereto, further volatility in commodity prices (including carbon credits) has been experienced. Further escalation of geopolitical tensions could have a broader impact on the Company's business activities, which could adversely affect its business, the economic conditions under which the Company operates, and its counterparties.

In addition, changes in government priorities and regulation as a result of government deficits or as a result of changes in the prevailing views concerning the impact of GHGs on climate change could also adversely affect the demand for carbon credits and thereby their price. Interpretation and enforcement of environmental legislation will vary by country and is subject to sudden change. Carbon credit prices will also be influenced by infrastructure and technological advances in reducing and sequestering GHG emissions and the economics associated with those activities. 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.

The Company's expected carbon credit sales volumes (which may include credits covered under streaming agreement, credits that are subject to stream participation rights, and associated marketing and sales arrangements) are estimated based on forecasts provided by project partners, historical credit generation by the project and/or the Company's estimates, and actual sales volumes may vary.

Reduced demand for carbon credits

The demand for carbon credits can be adversely affected by any number of factors, including the implementation of lower emission infrastructure, an increase in the number of projects generating carbon credits, invention of new technology that assists in the avoidance / reduction or sequestration / removal of emissions, increased use of alternative fuels, a decrease in the price of conventional fossil fuels, increased use of renewable energy, and the implementation and operation of carbon pricing initiatives such as carbon taxes and ETSs. There can be no assurance that carbon pricing initiatives or compliance or voluntary 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.

In addition, the demand for carbon credits, particularly in the voluntary markets, is driven by the social and political will to reduce GHG emissions globally. Without such social and political will, the marketplace for carbon credits would cease to exist and there would be no place for the Company to buy and sell carbon credits. Even if such marketplaces still exist, without the social and political will to reduce GHG emissions, the price of carbon credits may fall to an unsustainably low price, preventing profitability of the Company.

Lack of liquidity of carbon markets

Carbon markets, particularly the voluntary markets, are still evolving and there are no assurances that the carbon credits purchased by the Company or generated by the Company's streams or investments will find a market. The carbon credit market, particularly the voluntary markets, have experienced high levels of volume volatility. There is, or there may be in the future, a lack of liquidity for the purchase or sale of carbon credits. We may not be able to purchase or sell the volume of carbon credits we desire in a timely manner or at an attractive price. The pool of potential purchasers and sellers is limited, and each transaction may require the negotiation of specific provisions. Accordingly, a purchase or sale may take several months or longer to complete. In addition, as the supply of carbon credits is limited, we may experience difficulties purchasing carbon credits. The inability to purchase and sell on a timely basis in sufficient quantities could have a material adverse effect on the Company's securities.

Liquidity/Financial Risk

Liquidity concerns and future financing requirements

The Company had negative cash flow from operations for the financial year ended June 30, 2022. It is likely the Company will operate at a loss until we are able to realize cash flow from the sale of carbon credits delivered under our streaming agreements. We may require additional financing in order to fund our business, business expansion, and/or negative cash flow. The Company's ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us, or at all. If additional financing is raised by the issuance of Common Shares from treasury, control of the Company may change, and Shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our business at its maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

Foreign exchange rates

Streams and carbon credits are typically acquired in U.S. currency. However, the Company currently pays certain operating expenses and has its securities listed on an exchange in Canadian currency. Although the Company's functional currency is U.S. dollars, fluctuation in the U.S. currency exchange rate relative to the Canadian currency could negatively impact the value of the securities. The acquisition of streams and 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 stream, carbon credit or security is denominated. Because exchange rate fluctuations are beyond our 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 the Common Shares or Warrants.

Risks Relating to the Company's Business

Limited operating history for the Company's current strategy

Prior to 2020, the Company did not have any record of operating under a business strategy with a focus on carbon credits. As such, the Company is subject to all of the business risks and uncertainties associated with starting a new business, including the risk that the Company will not achieve its financial objectives as estimated by its management.

The nature of our operations is highly speculative and there is a consequent risk of loss of your investment. 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 credit streaming agreements and GHG emission avoidance, reduction and sequestration programs; government regulations; commitments to reduce GHG emissions by corporations, organizations and individuals; and general economic conditions. 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 implement its current strategy.

Future acquisitions

As part of our business strategy, we may seek to grow by entering into or acquiring streaming, royalty or royalty-like arrangements or acquiring or investing, in the form of equity, debt or other forms of investment, in carbon credits or entities, assets or properties involved in the origination, generation, monitoring, or management of carbon credits or related businesses. Failure to expand may have a material adverse effect on the Company's business, financial condition and results of operations.

In pursuit of such opportunities, the Company may fail to identify or select appropriate acquisition targets, or negotiate acceptable arrangements, including arrangements to finance its activities. The Company may be unable to identify or select appropriate targets in the numbers or at the pace it currently expects for a variety of reasons, including, among other things, the following: (i) the demand for carbon credits failing to develop sufficiently or taking longer than expected to develop; (ii) issues related to identifying, engaging, contracting, compensating and maintaining relationships with developers or owners of projects or negotiate agreements; (iii) issues related to the verification and validation of carbon credits, construction, permitting, the environment, and governmental approvals with respect to projects that generate carbon credits; (iv) a reduction in government incentives or adverse changes in policy and laws with respect to carbon credits; (v) competition for the projects the Company wishes to invest in; and (vi) other government or regulatory actions that could impact the Company's business model.

For any acquisitions, such transactions involve inherent risks, including but not limited to: accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition target; 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 targets 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.

Concentration risk

The business of the Company is to acquire or invest in the form of equity, debt or other forms of investment, in carbon credits or entities, assets or properties involved in the origination, generation, monitoring, or management of carbon credits or related businesses and to market and sell carbon credits. Given the concentration of the Company's exposure to carbon credits, the Company's business will be more susceptible to adverse economic or regulatory occurrences affecting carbon credits and carbon markets than other more diversified companies or an investment fund that holds a diversified portfolio of securities.

Further, the Company has entered into six (6) carbon credit streaming agreements, with significant financial exposure to the Rimba Raya project, which as at June 30, 2022, made up a majority of our stream assets. Any adverse development affecting the development and operation of a specific stream, may have a material adverse effect on our near-term profitability, financial condition and results of operations. While the Company's intention is to enter into stream arrangements and investments in a large number of carbon credits with exposure to a wide variety of projects and attributes, it will take time to attain such diversification. Until further diversification is achieved, the Company will continue to have a significant portion of its assets dedicated to a select number of carbon credit projects, and businesses related to carbon credits.

Inaccurate estimates of growth strategy

Market opportunity estimates and growth strategies are subject to significant 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 AIF may prove to be inaccurate and may not be indicative of future growth. As the stream and royalty funding model is relatively new in the carbon credit industry, it may not gain acceptance, or experience widespread growth, as anticipated.

The Company's current streaming opportunity pipeline represents an estimate by management based on potential transactions which remain under various states of non-binding proposal and/or negotiation by the Company. There can be no assurance that the Company will be able to enter into definitive agreements for, or otherwise complete the acquisition of, all or any investment identified in the streaming opportunity pipeline. While the Company's estimate of the total addressable market included in this AIF was made in good faith and is based on assumptions and estimates the Company believes to be reasonable, this estimate may not prove to be accurate. Further, even if the estimate of market opportunity and growth strategy does prove to be accurate, the Company could fail to capture a significant portion, or any portion, of the available market.

Dependence upon key management

The Company is dependent upon the continued availability and commitment of its key management, whose contributions to current and future operations of the Company are of significant importance. The loss of any such members could negatively affect business operations. 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 and the origination, registration, selling and trading of carbon credits is limited, and competition for such persons can be intense. In addition, the number of persons skilled in structuring streams is limited. 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 and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material adverse impact on its profitability, results of operations and financial condition. In addition, although Messrs. Cochrane and Kearns spend significant time with the Company and are highly active in the Company's management, both Messrs. Cochrane and Kearns do not devote their full time and attention to the Company, as Messrs. Cochrane and Kearns also currently serve as President and Chief Financial Officer, respectively, of Nickel 28 Capital Corp.

Carbon Credit Industry Risk

Market events and general economic conditions may adversely affect our business, industry and profitability

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. Also see the risk factor: "*Fluctuating price of carbon credits*".

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 businesses. These factors could have a material adverse effect on our financial condition and operating results.

Registration, Validation, Verification, Cancellation and other risks associated with carbon credits

In seeking to acquire carbon credits from a growing selection of diversified and high-integrity projects 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 Standard Body in the voluntary market, such as Verra or the Gold Standard. In addition, the associated Co-Benefits may be validated by standards such as the CCB Standard or the SD VISta Standard, both administered by Verra, or SocialCARBON. Any actual or proposed changes to validation/verification requirements of the Standards 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 (including, without limitation, any changes to nationally determined contributions (known as INDCs or NDCs) under the Paris Agreement or any other national or international initiatives) may result in a material and adverse effect on our profitability, results of operation and financial condition.

Specifically, in 2022 the Indonesian government temporarily paused validation and verification of carbon credits from projects located in the country on the Verra Registry (and other registries) as it sought to finalize its national carbon policy. While Rimba Raya was scheduled to undergo its sixth VCS audit monitoring period in early 2022, in consideration of the potentially imminent regulations, the audit has been paused. Also see *"Description of the Business – Overview of the Company's Carbon Credit Projects – Projects – Rimba Raya Stream and Project Overview" as well as* the risk factors "*Fluctuating price of carbon credits*", "*Foreign operation and political risk*" and "*Regulatory Change*".

In addition, due to the developing nature of the industry and resulting capacity restrictions within VVBs or Registries, issuance of credits may take longer than expected.

Carbon pricing initiatives are based on scientific principles that are subject to debate

Carbon pricing initiatives, such as ETSs and carbon taxes, and carbon credits have arisen primarily due to relative international and scientific consensus with respect 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 GHG emissions in the atmosphere, on the other hand. Failure to maintain international consensus may negatively affect the value of carbon credits.

There is no assurance that carbon markets will continue to exist. 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.

Regulatory risk related to changes in regulation and enforcement of ETSs 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.

Carbon trading may become obsolete

Carbon trading in the compliance carbon markets is regulated by specific jurisdictions pursuant to regional legislation or trading of carbon credits can be voluntary as in the voluntary carbon markets. When regulated (e.g. under the EU ETS and in the Western Climate Initiative cap-and-trade programs), governments compel emitters to reduce their GHG 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.

Foreign operation and political risk

The Company's streaming, royalty and other agreements may be focused on 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. A significant proportion of the Company's short-term and medium-term opportunities are located outside of North America and some are included in emerging market countries such as Indonesia. Such geographic focus also may subject the Company and its investments to a higher degree of volatility including economic and political developments.

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, extreme fluctuations in currency exchange rates, high rates of inflation, 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, changes in policies in relation to the reduction of GHG emissions, introduction of quota systems, restrictions on the re-sale of carbon credits, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls, export controls, 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, and other government or industry policies.

All or any of these factors, limitations, or the perception thereof could impede the Company's activities, result in the impairment or loss of part or all of the Company's interest in a stream or an investment, or otherwise have an adverse impact on the Company's valuation and price of securities.

Competition

There are many organizations, companies, non-profits, governments, asset managers and individuals that are buyers of carbon credits, or have rights to or interest in carbon credits, and there is currently a limited supply of carbon credits, projects to generate future carbon credits and related 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 acquiring carbon credits or interests in carbon credits, whether by way of purchases in carbon markets, streams or other forms of investment, as many competitors have greater financial resources and technical staffs. In addition, as the industry matures, new competitors may emerge. 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 businesses. Our inability to acquire carbon credits and streams may result in a material and adverse effect on our profitability, results of operation and financial condition.

Project Risk

Due diligence risks

The due diligence process undertaken by the Company in connection with acquisitions, investments or streaming arrangements that it undertakes or wishes to undertake, may not reveal all relevant facts in connection with an acquisition, investment or streaming arrangement. Before making any decision, the Company will conduct, or have independent consultants conduct, due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each acquisition, investment or streaming 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 arrangement, the Company relies on resources available, including information provided by the target of the acquisition or investment, the party(ies) to the streaming arrangement and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any opportunity may not reveal or highlight all relevant facts that may be necessary.

The Company may acquire streams, royalties or other investments in early-stage projects

The development of a carbon credit project is a speculative venture necessarily involving substantial risk. If the Company acquires a stream at the pre-development phase, there is no certainty that any given project will result in the development of a carbon project and the verification and generation of carbon credits (and in quantities that are economical). Although substantial benefits may be derived from developing a project, no assurance can be given that emission reductions or removals will generate sufficient carbon credit quantities to justify a commercial project.

Dependence on third party project developer, owners and operators

Carbon credits received by the Company are derived from projects that are developed, operated or owned 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 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. As an example, in some cases, it may be in the interest of the Company to advance development as rapidly as possible in order to maximize the receipt of near-term carbon credits, while third party project developer, owners and operators may, in many cases, take a more cautious approach to development as they are at risk on the cost of development and operations. The inability of the Company to control the operations for the properties or assets in which it has a stream or other interest may have a material adverse effect on the Company's profitability, results of operation and financial condition.

Sensitivity to nature and climate conditions

The physical risks of climate change may also have an adverse effect on our operations. Physical risks can be event-driven (acute) or longer-term shifts (chronic) in climate patterns. These risks are highly uncertain, are particular to the unique geographic circumstances associated with each project and may have an adverse effect on Company's projects under its carbon credit streaming agreements. Extreme weather events have the potential to disrupt the operation of our projects and may require us to make additional expenditures to mitigate the impact of such events.

The projects that the Company enters into carbon credit streaming 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 carbon credit streaming agreements, and may result in a material and adverse effect on our profitability, results of operations and financial condition.

Limited access to data and disclosure

As a holder of streams and other non-operator interests, the Company does not serve as the project developer, owner or operator, and in almost all cases the Company has no input into how the project is developed or the operations are conducted. As such, the Company has varying access to data on the operations or to the actual projects themselves. This could affect its ability to assess the value of the streams or enhance their performance. This could also result in delays in the receipt of carbon credits from that anticipated by the Company based on the stage of development of the applicable properties or assets covered by its streams. In addition, some streams may be subject to confidentiality arrangements which govern the disclosure of information with regard to streams and as such the Company may not be in a position to publicly disclose non-public information with respect thereto. The limited access to data and disclosure regarding the operations of the properties or assets in which the Company has an interest, may restrict its ability to assess the value or enhance its performance which may have a material adverse effect on the Company's profitability, results of operation and financial condition.

The Company prepares estimates, forecasts and outlook of future carbon credit generation from the projects in which the Company holds a stream, royalty or other interests and relies on the information it receives from the project partner and independent experts of the carbon credit projects to prepare such estimates, forecast or outlook. Such information is necessarily imprecise because it depends upon the judgment of the individuals who operate the projects. These credit generation profiles and projections are based on existing project plans and other assumptions with respect to the projects which change from time to time, and over which the Company has no control. Any such information is forward-looking and no assurance can be given that such credit generation estimates and projections will be achieved.

Rights of third parties

Some streams, royalties or other agreements may be subject to: (i) buy-down right provisions pursuant to which an operator, project partner, or property owner may buy-back all or a portion of the stream; (ii) pre-emptive rights pursuant to which parties have the right of first refusal or first offer with respect to a proposed sale or assignment of the stream; or (iii) claw back rights pursuant to which the seller of a stream has the right to re-acquire the stream. Holders of these rights may exercise them such that certain streams may not be available for acquisition by the Company or that streams held by the Company may be subject to buy-back rights or first refusal rights on its sale.

Legal, Regulatory and Political Risk

Regulatory change

The Company may be affected by changes in regulatory requirements, customs, duties or other taxes in the jurisdictions in which it operates or has assets. 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. Failure to comply with laws and regulations by the Company or by the operators of projects 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. Also see the risk factor "***Validation, Registration, Verification, Cancellation and other risks associated with carbon credits".***

Streams may not be honoured by project partners or operators of a project

Streams are largely contractually based and long-term in nature. 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 and other interests do not abide by their contractual obligations, the Company may be forced to take legal action to enforce its contractual rights. Not all project developers, owners or operators are credit worthy, and some may not stay as a going concern over the life of the stream. Such litigation may be time consuming and costly, and as with all litigation, no guarantee of success can be made. Should any such decision be determined adversely to the Company, it may have a material adverse effect on the Company's profitability, results of operations and financial condition.

Litigation

The Company may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. 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.

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 property(ies) 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 and Compliance Risk

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.

Internal Controls over Financial Reporting

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. The Company has procedures in place to ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws. However, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. If the Company or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and harm the trading price of the Common Shares or Warrants.

Changes in accounting standards and interpretations

IFRS accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to the Company's business, including revenue recognition, fair value estimation of the carbon credit streaming agreements impairment of goodwill and intangible assets, inventory and income taxes, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change the Company's reported financial performance or financial condition in accordance with generally accepted accounting principles. Further, the Company's implementation of and compliance with changes in accounting rules, including new accounting rules and interpretations, could adversely affect the Company's reported financial position or operating results or cause unanticipated fluctuations in its reported operating results in future periods.

Carbon credit streaming agreements are agreements that are expected to be settled through the delivery of carbon credits. The contractual arrangements, in certain circumstances, could result in the Company receiving cash upon expiry of the contracts. Additionally, the Company's business model for these agreements is to take delivery of the carbon credits and subsequently sell them for purposes of generating a profit. Accordingly, the carbon credit streaming agreements are accounted for as financial instruments. These agreements are initially and subsequently measured at fair value through profit or loss. At each reporting date, the fair value of each active contract is calculated using internal discounted cash flow models taking into consideration the contractual terms of the underlying project agreements that rely on the recent trading prices for comparable carbon credit methodologies and vintages and overall market volatility of voluntary carbon credit pricing. Other variables that impact the fair value of carbon credit streaming agreements include the expected volumes and timing of the delivery and sale of the verified carbon credits, changes in expected costs and cash flows associated with the contract, changes in the riskfree interest rate, other factors affecting the project or project partner, other factors affecting the buyers of the carbon credits and their creditworthiness, other factors affecting the carbon credit streaming agreements, other factors affecting cost and availability of capital, and other potential factors.

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 or other investments. In this regard, the Company has also adopted the Code, which includes, among other things, policies designed to minimize potential conflicts of interest and to provide appropriate procedures for the disclosure, approval and resolution of any real or potential conflicts of interest that may exist from time to time. These policies include obligations that directors, officers, employees, contractors and consultants promptly disclose in writing any possible conflicts of interest to their supervisor or the lead director or Chair of the Board, as applicable, as well as restrictions generally on the acquisition by any such persons of any property, security or business interest which they know (based on advance information or otherwise) the Company is interested in acquiring. See "Directors and Officers – Conflicts of Interest". Any such conflicts of the directors and officers may result in a material adverse effect on our profitability, results of operation and financial condition.

Anti-corruption and bribery laws

Our operations are governed by, and involve interactions with, various levels of government in foreign countries. Pursuant to our contractual obligations, we are required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada) ("**CFPOA**") and the U.S. Foreign Corrupt Practices Act (the "**FCPA**") and similar laws in the applicable project jurisdiction. These laws generally prohibit companies and company employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. The FCPA also requires companies to maintain accurate books and records and internal controls. Because the Company may pursue investments in other foreign countries, there is a heightened risk of potential CFPOA and FCPA violations.

In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. A company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Our internal procedures and programs may not always be effective in ensuring that we, our employees, contractors or third-party agents will comply strictly with all such applicable laws. If we become subject to an enforcement action or we are found to be in violation of such laws, this may have a material adverse effect on our reputation and may possibly result in significant penalties or sanctions and may have a material adverse effect on our cash flows, financial condition, or results of operations.

Cyber-security threats

The Company is dependent upon information technology systems to operate its business and could be adversely affected by network disruptions from a variety of sources, including, without limitation, computer viruses, security breaches, cyber-attacks, natural disasters and defects in design. The Company's operations are also dependent on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risk of failure. There can also be no assurance that critical systems will not be inadvertently or intentionally breached and compromised. This may result in business interruption losses, equipment damage, or loss of critical or sensitive information. Given the unpredictability of the timing, nature and scope of information technology disruptions, we could potentially be subject to operational delays, destruction or corruption of data, any of which could have a material adverse effect on the Company's financial condition or results of operations.

Forward-looking information

The forward-looking statements relating to, among other things, future results, performance, achievements, prospects or opportunities of the Company included in this AIF, are based on opinions, assumptions and estimates made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Actual results of the Company in the future may vary significantly from historical and estimated results and those variations may be material. There is no representation by the Company that actual results achieved by the Company in the future will be the same, in whole or in part, as those included in this AIF. See "*General Matters – Forward-Looking Information*".

Risks Related to Securities of the Company

Volatility of market price for the Common Shares or Warrants

The market price for the securities may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's results of operations; (ii) changes in the economic performance or market valuations of other companies that investors deem comparable to the Company; (iii) the loss or resignation of executive officers and other key personnel of the Company; (iv) sales or perceived sales of additional Common Shares; (v) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors which prove to be ill considered; (vi) short sales, hedging and other derivative transactions in our Common Shares; (vii) investors' general perception of the Company and the public's reaction to the Company's press releases, other public announcements and filings with Canadian securities regulators; (viii) recommendations by securities research analysts (ix) general political, economic, industry and market conditions, including fluctuations in carbon credit prices; and (x) trends, concerns, technological or competitive developments, regulatory changes and other related issues in the avoidance, reduction and sequestration of GHG emissions or the carbon markets.

Financial markets have experienced significant price and volume fluctuations in recent years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies.

Accordingly, the market price of the Common Shares and Warrants may decline even if the Company's operating revenue, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values which may result in impairment losses. Certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares and Warrants.

Equity dilution

The Board may issue Common Shares and Warrants without any vote or action by the Shareholders, subject to the rules of the NEO Exchange and any other stock exchange on which the Company's securities may be listed from time to time. The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities and may issue securities in consideration for services rendered. If the Company issues any additional equity, the percentage ownership of existing Shareholders will be reduced and diluted, and the price of the Common Shares could decline.

Costs and expenses as a result of being a listed public company

The Company is subject to significant costs, expenses and regulatory burden as a result of being a listed public company, which may negatively impact its performance and could cause its results of operations and financial condition to suffer. In addition, the Company filed a registration statement on Form 40-F with the Securities and Exchange Commission in February 2022 in connection with the goal of pursuing a U.S stock exchange listing. Compliance with applicable securities laws in Canada, the rules of the NEO Exchange and any laws and rules in connection with a U.S listing result in substantial costs and expenses, including legal and accounting costs, and make certain activities more time consuming and costly.

Canadian securities laws and the rules of the exchanges on which the Company's shares are listed require publicly listed companies to, among other things, adopt corporate governance policies and related practices and to continuously prepare and disclose material information, all of which will significantly increase costs. Reporting obligations as a public company and the Company's anticipated growth may place a strain on financial and management systems, processes and controls. The Company also expects that these laws, rules and regulations will make it more expensive over time for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult to attract and retain qualified persons to serve on the Company's Board or as officers. As a result of the foregoing, the Company expects to continue to incur substantial legal, accounting, insurance and certain other costs and expenses in the future, which will impact its financial performance and its profitability, results of operation and financial condition.

Prospect of dividends

The Company currently intends to use its future earnings, if any, and other cash resources for the operation and development of its business and does not currently anticipate paying any dividends on the Common Shares.

Health Risks

Impact of the COVID-19 pandemic

The ongoing COVID-19 pandemic has had and could continue to adversely affect our business, financial position and results of operations. 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 projects and potential opportunities, and on the development, management and operation of carbon credit projects by third parties. The projects in which the Company currently has streams, and the Company's future opportunities may be, located outside of Canada. Accordingly, the Company may be affected by COVID-related developments and measures which may differ from those taken in Canada. Such developments and measures may have adverse effects on our business, financial position and results of operations.

The impact of the COVID-19 pandemic and related supply-demand market imbalances continues to evolve. Despite successful vaccine rollouts in many jurisdictions, the risk of local or regional resurgences continue, as well as the outbreak of variants strains of the initial COVID-19 virus. As a result, 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. Even after the COVID-19 pandemic has subsided, the Company may continue to experience materially adverse impacts to its business as a result of the pandemic's global economic impact, and amplify various risks set forth herein.

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. Further, volatility in the capital markets has been heightened during the COVID-19 pandemic and such volatility may continue, which may cause declines in the price of our securities. To the extent that the COVID-19 pandemic or any other potential regional or global pandemic harms our business and results of operations, many of the other risks described in this "Risk Factors" section may also be heightened.

DIVIDENDS AND DISTRIBUTIONS

The Company has not, since the date of its incorporation, declared or paid any dividends on its Common Shares, and does not currently anticipate paying any dividends in the foreseeable future. Rather, the Company intends to use any future earnings and other cash resources for the operation and development of its business but may declare and pay dividends in the future as operational circumstances permit. Any future determination to pay dividends on the Common Shares will be at the sole discretion of the Board after considering a variety of factors and conditions existing from time to time, including current and future operations, operating costs and debt service requirements, and available investment opportunities**.** There are no restrictions precluding the Company from paying dividends or making other distributions to its Shareholders.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company is authorized to issue an unlimited number of Common Shares, of which there were 46,803,919 Common Shares issued and outstanding as of June 30, 2022. As of the date of this AIF, there are 46,813,919 Common Shares issued and outstanding.

The Common Shares are not subject to any future call or assessment and do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Common Shares, all of which rank equally as to all benefits which might accrue to the holders of the Common Shares. All holders of Common Shares are entitled to receive notice of, attend and vote at any meeting to be convened by the Company. At any meeting, subject to the restrictions on joint registered owners of Common Shares, every Shareholder has one vote for each Common Share of which he/she is the registered owner. Voting rights may be exercised in person or by proxy.

The holders of Common Shares are entitled to share pro rata in any: (i) dividends if, as and when declared by the Board in its discretion, and (ii) such of the Company's assets as are distributable to them upon liquidation, dissolution or winding-up of the Company. Other than as described in this AIF, no Common Shares or holders of Common Shares have any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions. No holder of Common Shares has any rights to permit or restrict the issuance of additional securities or any other material restriction. All outstanding Common Shares are fully paid and non-assessable, without liability for further calls or to assessment. Rights pertaining to the Common Shares may only be amended in accordance with applicable corporate law, which includes approval of the holders of such Common Shares.

Warrants

The Company has issued the following Warrants which are convertible into Common Shares. All Warrants have been adjusted to reflect the Consolidation on a basis of five pre-Consolidation Common Shares for one post-Consolidation Common Share:

(i) 2,856,000 Warrants exercisable to acquire Common Shares at a price of C$0.625 per Common Share at any time up until April 22, 2025;

(ii) 280,000 Warrants exercisable to acquire Common Shares at a price of C$0.625 per Common Share at any time up until December 16, 2025;

(iii) 690,000 Warrants exercisable to acquire Common Shares at a price of C$0.625 per Common Share at any time up until December 22, 2025;

(iv) 2,934,000 Warrants exercisable to acquire Common Shares at a price of C$3.75 per Common Share at any time up until January 27, 2026;

(v) 8,726,505 Warrants exercisable to acquire Common Shares at a price of C$7.50 per Common Share at any time up until March 2, 2026 (the "**March 2026 Warrants**"); and

(vi) 20,980,250 Warrants exercisable to acquire Common Shares at a price of $7.50 per Common Share at any time up until September 19, 2026 (the "**September 2026 Warrants**"). These Warrants were issued as the result of the automatic conversion of the Special Warrants on November 20, 2021.

As of June 30, 2022, there were 33,240,789 Warrants issued and outstanding on a post-Consolidation basis. Accordingly, an aggregate of up to 33,240,789 Common Shares were issuable upon the exercise of all outstanding Warrants as of June 30, 2022. As of the date of this AIF, there are 33,230,789 Warrants issued and outstanding on a post-Consolidation basis. Accordingly, an aggregate of up to 33,230,789 Common Shares are issuable upon the exercise of all outstanding Warrants.

Options, Restricted Share Units and Performance Share Units

The Company has adopted an Omnibus Long-Term Incentive Plan (the "**Incentive Plan**") as a means to provide incentive to eligible directors, officers, employees and consultants. As at June 30, 2022 there were 1,506,000 Options, 865,835 RSUs outstanding and nil PSUs outstanding.

MARKET FOR SECURITIES

Trading Price and Volume

The following table summarizes the monthly range of high and low market prices per Common Share (on a post-Consolidation basis), as well as the total monthly trading volumes of the Common Shares, on the NEO Exchange for the months indicated:

Month[1]	High ($)	Low ($)	Volume
July 2021	C$14.50	C$7.55	462,098
August 2021	C$14.65	C$8.55	1,187,586
September 2021	C$13.75	C$10.40	808,746
October 2021	C$15.97	C$11.00	998,910
November 2021	C$15.00	C$11.70	1,895,488
December 2021	C$16.84	C$13.30	1,622,955
January 2022	C$16.75	C$12.05	1,390,167
February 2022	C$13.45	C$9.53	2,068,616
March 2022	C$10.30	C$8.27	2,279,936
April 2022	C$9.00	C$5.10	1,765,732
May 2022	C$5.99	C$3.41	1,829,283

June 2022	C$4.60	C$3.23	1,004,411
July 2022	C$3.50	C$2.53	806,974
August 2022	C$5.37	C$3.20	749,970

Notes:

(1) Common Share price and volumes for July through October 2021 have been converted to reflect the Consolidation.

The following table summarizes the monthly range of high and low market prices per March 2026 Warrant, as well as the total monthly trading volumes of the March 2026 Warrants, on the NEO Exchange for the months indicated:

Month	High ($)	Low ($)	Volume
July 2021	C$12.20	C$6.25	33,096
August 2021	C$8.75	C$6.00	153,583
September 2021	C$6.75	C$4.05	148,725
October 2021	C$8.30	C$1.75	234,976
November 2021	C$8.30	C$6.35	146,124
December 2021	C$9.17	C$6.05	164,611
January 2022	C$9.25	C$5.00	144,020
February 2022	C$7.50	C$5.10	63,292
March 2022	C$5.50	C$3.04	88,659
April 2022	C$4.23	C$3.36	84,661
May 2022	C$3.95	C$1.20	77,330
June 2022	C$2.21	C$1.72	20,080
July 2022	C$1.80	C$1.24	32,583
August 2022	C$1.84	C$1.34	15,134

Notes:

(1) March 2026 Warrants price and volumes for July through October 2021 have been converted to reflect the Consolidation.

The following table summarizes the monthly range of high and low market prices per September 2026 Warrant, as well as the total monthly trading volumes of the September 2026 Warrants, on the NEO Exchange for the months indicated:

Month	High ($)	Low ($)	Volume
November 2021	C$7.35	C$4.50	16,357
December 2021	C$7.73	C$4.77	68,220
January 2022	C$6.90	C$4.60	42,114
February 2022	C$5.15	C$3.55	48,898
March 2022	C$4.00	C$2.94	121,017
April 2022	C$3.10	C$1.70	155,961
May 2022	C$1.93	C$1.34	19,982
June 2022	C$1.56	C$1.05	27,799
July 2022	C$1.21	C$1.03	29,037
August 2022	C$1.16	C$1.00	58,764

Prior Sales

On July 19, 2021, the Company closed the Private Placement of 104,901,256 Special Warrants (pre-Consolidation) of the Company, at a price of US$1.00 per Special Warrant, for gross proceeds of US$104,901,256. On November 20, 2021, each Special Warrants automatically converted into one Common Share and one September 2026 Warrant, with the September 2026 Warrants commencing trading on the NEO Exchange under the symbol "NETZ.WT.B" on November 24, 2021.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets forth escrowed securities and securities subject to contractual restrictions on transfer as at the date hereof:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	3,026,120[(1)]	6.46%

Notes:

(1) Pursuant to the SAA, the Founders are restricted from selling or otherwise disposing of the Founders' Common Shares for a period of three years, with one-third of the Founders' Common Shares being released upon each anniversary of the signing of the SAA. See "*Description of the Business – Other Agreements & Investments*".

DIRECTORS AND OFFICERS

Name and Occupation

The following table sets forth, for each of the directors and executive officers of the Company as of the date hereof, the person's name, jurisdiction of residence, position and office held with the Company, principal occupation during the last five years and, if a director, the period or periods during which the person has served as a director of the Company. Each of the directors of the Company will hold office until the close of the next annual meeting of the Shareholders of the Company unless his or her office is earlier vacated in accordance with the articles of the Company.

Name and Jurisdiction of Residence	Principal Occupation for Past Five Years
Maurice Swan [2, 3, 4] Ontario, Canada Director Since: January 27, 2021	- Lawyer and General Counsel of Superior Gold Inc. since March 2020. - Corporate partner at Stikeman Elliott LLP from 2004 – 2019.
R. Marc Bustin [1, 3] British Columbia, Canada Director Since: March 31, 2021	- Professor of Geology at the University of British Columbia. - President of RMB Earth Science Consultants. - Chief Technical Officer for Renewable Geo Resources Ltd.

Name and Jurisdiction of Residence	Principal Occupation for Past Five Years
Saurabh Handa [1, 2] British Columbia, Canada Director Since: March 31, 2021	- CFO of Metalla Royalty & Streaming Ltd. - Principal of Handa Financial Consulting Inc. - Formerly CFO of Titan Mining Corp. from March 2017 to January 2018. - Vice President, Finance of Imperial Metals Corp. from February 2016 to March 2017. - Senior Corporate Controller of Imperial Metals Corp. from August 2015 to February 2016.
Candace MacGibbon [1, 2, 4, 5] Ontario, Canada Director Since: November 12, 2021	- Board member of Osisko Gold Royalties. - Formerly the CEO of INV Metals Inc., a Canadian mineral resource company focused on the development and exploration of the Loma Larga gold property in Ecuador from 2015 – 2021, CFO from 2008-2015. - Board member of INV Metals Inc., from 2015 - 2021. - Board member Cobalt 27 Capital Corp. from 2017 – 2019. - Board member Nickel 28 Capital Corp. from 2019 – 2021.
Alice Schroeder [1, 3, 4] Connecticut, U.S.A. Director Since: January 10, 2022	- Board member of HSBC North America Holdings, Dakota Gold Corp, RefleXion Medical and Westland Insurance. - Previously served as a Board member of Bank of America Merrill Lynch International from 2016 to 2018, Quorum Health Corporation from 2018-2022, Prudential plc from 2013-2022, and Natus Medical Inc. from 2019 – 2022
Andy Tester [2, 3] Oregon, U.S.A. Director Since: January 27, 2021	- Naturalist and labour advocate, primarily in the Pacific Northwest and Alaska.
Jeanne Usonis [4] California, U.S.A Director Since: March 31, 2021	- Director at Regent Advisors LLC. - CFO at Deep Reasoning AI Inc., a private company in the medical software sector.
Justin Cochrane Ontario, Canada Director Since: June 29, 2021	- Chief Executive Officer of the Company since January 2021. - Formerly President of the Company from January 2021 – October 2021. - President and Board member of Nickel 28 Capital Corp. since November 2019. - Formerly the President & COO of Cobalt 27 Capital Corp. - Formerly the Executive Vice President and Head of Corporate Development for Sandstorm Gold Ltd. - Formerly a Vice President of the investment banking division at National Bank Financial.

Name and Jurisdiction of Residence	Principal Occupation for Past Five Years
Geoff Smith Ontario, Canada	- President and Chief Operating Officer of the Company since October 2021. - Managing Director within Scotiabank's Investment Banking Division between November 2018 and October 2021. - Director within Scotiabank's Investment Banking Division between November 2014 until November 2018.
Conor Kearns Ontario, Canada	- CFO of the Company since January 2021. - CFO of Nickel 28 Capital Corp. since October 2019 - Formerly Vice President of Finance of Cobalt 27 Capital Corp. - Formerly Chief Financial Officer of EFT Canada Inc.
Michael Psihogios British Columbia, Canada	- Chief Investment Officer of the Company since May 2021. - Formerly Chief Financial Officer of DUMAS Contracting Ltd. from June 2016 to May 2021.
Anne Walters Ontario, Canada	- General Counsel and Corporate Secretary of the Company since June 2021. - From March 2017 until June 2021, Head of Legal, Canada for Frontera Energy Corporation. - Former lawyer at Stikeman Elliott LLP.

Notes:

(1) Member of the Audit Committee of the Board.
(2) Member of the Compensation Committee of the Board.
(3) Member of the Corporate Governance and Nominating Committee of the Board.
(4) Member of the Sustainability Committee of the Board.
(5) Ms. MacGibbon is the nominee of Osisko to the Board. See "*Material Contracts – Investor Rights Agreement – Board Nomination Right*".

Share Ownership

As of the date of this AIF, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 1,131,029 Common Shares, which represented approximately 2.42% of the Company's issued and outstanding Common Shares.

On a partially-diluted basis, assuming the exercise of all Options, RSUs and Warrants, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 3,197,533 Common Shares, which represented approximately 6.83% of the Company's issued and outstanding Common Shares. The statement as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Company as a group is based upon information furnished by the directors and executive officers.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, none of our directors or executive officers are, as at the date of this AIF, or have been within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of our directors, executive officers or any Shareholder holding a sufficient number of our securities to affect materially the control of the Company:

(b) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(c) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Saurabh Handa was a director of Banks Island Gold Ltd. from June 7, 2011 to July 28, 2015. On January 8, 2016, it announced its intention to make an assignment into bankruptcy and Industry Canada accepted that assignment effective January 8, 2016. The assignment was also filed with the Office of the Superintendent of Bankruptcy the same day.

Alice Schroeder was a director of Quorum Health Corporation from June 8, 2018 to July 23, 2021. She also served as chair of the Audit and Compliance Committee. On April 7, 2020, Quorum Health Corporation and certain affiliated companies filed petitions in the United States Bankruptcy Court for the District of Delaware seeking relief under chapter 11 of the United States Bankruptcy Code. The plan of reorganization of Quorum Health Corporation was approved by the court on July 7, 2020 and the company became private equity owned.

The Common Shares previously traded on the TSX Venture Exchange ("**TSX-V**") under the symbol "MNV". The Common Shares were subsequently halted from trading, subject to cease trade orders and delisted from the TSX-V on May 9, 2017 following the failure of a previous management team to file statements for the financial year ended June 30, 2012, and corresponding MD&A and certifications. The cease trade orders were issued by the British Columbia Securities Commission (November 19, 2012), the Ontario Securities Commission (December 3, 2012) and the Alberta Securities Commission (March 5, 2013). In February 2020, the Company was successful in obtaining full revocation orders of all cease trade orders.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under applicable corporate law and corporate governance, including disclosing of any interest in a proposed transaction, and abstaining from voting on such matters.

To the best of the Company's knowledge, and other than as disclosed in this AIF, there are no known existing or potential conflicts of interest between the Company and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

AUDIT COMMITTEE

Under National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), the Company is required to include in this AIF the disclosure required under Form 52-110F1 with respect to the audit committee of the Board of Directors (the "**Audit Committee**"), including the composition of the Audit Committee, the text of the Audit Committee charter (attached to this AIF as Appendix "A"), and the fees paid to the Company's external auditor.

Composition of the Audit Committee

The members of the Audit Committee are Saurabh Handa (Chair), R. Marc Bustin, Candace MacGibbon and Alice Schroeder.

A member of the Audit Committee is considered to be "independent" if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment; and generally includes any member of management or significant Shareholder. Each of Messrs. Handa, Bustin and Ms. MacGibbon and Ms. Schroeder are considered to be independent of the Company.

A member of the Audit Committee is considered “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company. All members are considered to be financially literate.

Relevant Education and Experience

Saurabh Handa. Mr. Handa is currently the Chief Financial Officer for Metalla Royalty & Streaming Ltd., a TSX-V listed and NYSE-listed precious metals royalty and streaming company, and is a Director and Audit Committee Chair for K92 Mining Inc., a TSX-listed company with mining operations in Papua New Guinea. Previously, he held the positions of Chief Financial Officer of Titan Mining Corp., Vice President, Finance of Imperial Metals Corp., Chief Financial Officer of Meryllion Resources Corp., and Chief Financial Officer of Yellowhead Mining Inc. Mr. Handa is a Chartered Professional Accountant and graduated with Honours from the University of British Columbia with a diploma in Accounting. Prior to joining the accounting profession, Mr. Handa obtained a Bachelor of Science degree in Genetics from the University of British Columbia and a diploma in Computer Systems from the British Columbia Institute of Technology.

R. Marc Bustin. Dr. Bustin received his PhD in geology from the University of British Columbia and MSc and BSc (Dist.) from the University of Calgary. He has published over 200 peer reviewed scientific articles and provided industry training courses throughout the world. His past awards include the A. L. Leverson memorial award from the AAPG, the Thiesson Medal from the ICCP, the Sproule career achievement award, the Gilbert H. Cady Award from the Geological Society of America, and the Slipper Gold Medal from the Canadian Society of Petroleum Geology. Dr. Bustin is an elected Fellow of the Royal Society of Canada and a registered professional geologist in the province of British Columbia.

Candace MacGibbon. Ms. MacGibbon is a CPA, CA with over 25 years of experience in the mining sector and capital markets. She is currently a Director of Osisko Gold Royalties Ltd. (TSX:OR). She was formerly the CEO of INV Metals Inc., a Canadian mineral resource company focused on the development and exploration of the Loma Larga gold property in Ecuador which was acquired by a mid-tier producing Canadian gold company in July 2021. Ms. MacGibbon has significant technical, government relations, communications and ESG experience. Ms. MacGibbon has a deep understanding of the capital markets as a result of her previous employment as a global mining institutional salesperson with RBC Capital Markets and in base metals research as a mining associate with BMO Capital Markets. Ms. MacGibbon is a Chartered Professional Accountant and her financial and accounting experience includes her previous role as CFO of INV Metals Inc., as well as her prior employment with Deloitte LLP. Ms. MacGibbon is also a former director of INV Metals Inc., Cobalt 27 Capital Corp., and Nickel 28 Capital Corp. Ms. MacGibbon is a graduate of the University of Western Ontario and Sir Wilfred Laurier University.

Alice Schroeder. Ms. Schroeder has chaired and served on several boards in the financial services and health care sectors throughout her career and has chaired or been a member of numerous Nominating & Governance, Audit and ESG committees. She is currently serving on the boards of HSBC North America Holdings, RefleXion Medical, Natus Medical Inc. and Westland Insurance and previously served on the board of Bank of America Merrill Lynch International and Prudential plc. Ms. Schroeder was named to the National Association of Corporate Directors “Directorship 100” list in 2020 and is the author of the #1 New York Times and Wall Street Journal bestseller, *The Snowball: Warren Buffett and the Business of Life, the story of Buffett and Berkshire Hathaway.*

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee charter set out at Appendix "A" attached hereto provides that the Audit Committee shall review and pre-approve all non-audit services to be provided by the Company's external auditors.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Auditor (1)	Audit Fees	Audit Related Fees (4)	Tax Fees (5)	All Other Fees(7)
June 30, 2022	Deloitte	$89,244 (2)	nil	$51,918 (6)	nil
	Baker Tilly	$37,574(3)	nil	nil	$5,929(8)
June 30, 2021(9)	Baker Tilly	$54,600	$4,030	nil	nil

Notes:

(1) The Company changed its auditor to Deloitte LLP ("**Deloitte**") from Baker Tilly WM LLP ("**Baker Tilly**"), effective August 11, 2022. See "*Interests of Experts*".
(2) Includes the fees expected to be paid to Deloitte for the full year Fiscal 2022 audit, which has been quoted in C$ and has been converted into US$ based on the June 30, 2022 exchange rate as reported by the Bank of Canada of US$1.00 for every C$1.2886.
(3) Includes fees paid to Baker Tilly for the Fiscal 2022 quarterly audits.
(4) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
(5) Fees charged for tax compliance, tax advice and tax planning services.
(6) Represents fees incurred for tax services received in Fiscal 2022 prior to Deloitte being appointed as the Company's external auditors.
(7) Fees for services other than disclosed in any other column.
(8) Represents fees incurred for in connection with the preparation of the registration statement on Form 40-F that the Company filed with the Securities and Exchange Commission in February 2022.
(9) Fees for the year ended June 30, 2021 were paid in C$ and have been converted to US$ based on the June 30, 2021 exchange rate as reported by the Bank of Canada of US$1.00 for every C$1.2394.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings outstanding, threatened or pending, as of the date hereof, by or against the Company or to which it is a party or to which its business or any of its property is subject, nor to the Company's knowledge are any such legal proceedings contemplated which could become material to a purchaser of the Company's securities.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For purposes of this AIF, “informed person” means:

(a) any director or executive officer of the Company;

(b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company’s outstanding Common Shares; and

(c) any associate or affiliate of any of the foregoing persons.

No informed person has or has had any material interest, direct or indirect, in any transaction undertaken by the Company during its three most recently completed fiscal years or during the current fiscal year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries, save and except for (i) remuneration for services received by each of the Company’s senior officers and directors, and (ii) participation by officers and directors in the various private placements undertaken by the Company since June 2021.

TRANSFER AGENT AND REGISTRAR

The Company’s registrar and transfer agent for its Common Shares is Odyssey Trust Company with its office at Suite 323 – 409 Granville Street, Vancouver, British Columbia. The Company's register and transfer agent for its March 2026 Warrants and September 2026 Warrants is Odyssey Trust Company with its office at 1230-300 5th Avenue SW, Calgary, Alberta.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company which are currently in effect and considered to be currently material:

(i) the Amalgamation Agreement; and

(ii) the Investor Rights Agreement.

Copies of these material contracts are available for review on SEDAR at www.sedar.com.

Investor Rights Agreement

Osisko Gold Royalties Ltd (“**Osisko**”) and the Company are currently parties to an investor rights agreement dated February 18, 2021 which governs various aspects of the relationship between Osisko and the Company (the “**Investor Rights Agreement**”). The following is a summary of the material attributes and characteristics of the Investor Rights Agreement. This summary is qualified in its entirety by reference to the provisions of that agreement, which contains a complete statement of those attributes and characteristics.

Board Nomination Right

Pursuant to the Investor Rights Agreement, Osisko shall be entitled to nominate, on an annual basis, one (1) nominee for election to the board of directors of Carbon Streaming for so long as, (i) until the date that is three (3) years from the date of the Investor Rights Agreement, Osisko, together with its affiliates, does not hold less than an aggregate of 2,160,000 Common Shares and Warrants on a post-consolidated basis and (ii) at any time after the date that is three (3) years from the date of the Investor Rights Agreement, the percentage of outstanding Common Shares beneficially owned directly or indirectly by Osisko, together with its affiliates, is not less than 7.5% of the outstanding Common Shares (calculated on a partially diluted basis) ((i) and (ii), the "**Ownership Conditions**"). Ms. MacGibbon is the Osisko board nominee. As of the date hereof, Osisko's right to nominate one (1) nominee for election to the board of directors of Carbon Streaming is in place.

Participation Rights

Pre-emptive Right. Under the Investor Rights Agreement, the Company will also grant to Osisko certain equity financing rights to participate in future offerings of any new securities by the Company. Provided that Osisko meets the same Ownership Conditions, either (i) or (ii), as applicable, if the Company proposes to issue or sell any Common Shares or other equity securities or any warrant, option or other right to acquire equity securities or other securities convertible or exchangeable for equity securities (the "**New Securities**"), then Osisko has the right to subscribe for and purchase, each type, class or series of New Securities, as applicable, on terms and conditions not less favorable than those provided to the other subscribers of such New Securities, up to an amount sufficient to maintain Osisko's aggregate pro rata ownership interest in the outstanding Common Shares.

Stream Participation Right. Provided that Osisko meets the Ownership Conditions, either (i) or (ii), as appliable, as noted above under "Pre-emptive Right", Osisko shall then have the exclusive right to participate in, and acquire up to 20% of, any stream, forward sale, prepay, royalty, off-take or similar transaction between the Company, as purchaser and/or creditor, and one or more third party counterparties (the "**Stream Participation Right**"). Similarly, the Company, and its affiliates, shall not sell all or part of its interest in or rights under any asset or agreement in respect of which Osisko has exercised its Stream Participation Right, without first having offered same to Osisko in writing.

Voting Support

Subject to certain exceptions, Osisko has also agreed that it will vote and will cause voting securities owned by its affiliates to be voted: (a) in favour of, (i) each director nominated and recommended by the Board for election, (ii) the Company's proposal for ratification of the appointment of the Company's independent auditor, and (iii) every other management recommendation at any meeting of shareholders of the Company; and (b) against, any shareholder nominations for director that are not approved and recommended by the board.

INTERESTS OF EXPERTS

The Company's auditor is Deloitte LLP and is independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The Company's former auditors were Baker Tilly WM LLP, Chartered Professional Accountants (replaced August 11, 2022).

ADDITIONAL INFORMATION

This information and other pertinent information relating to the Company may be found on SEDAR at www.sedar.com.

Additional financial information is provided in the Company's financial statements and MD&A for its most recently audited financial year ended June 30, 2022. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under its Incentive Plan, among other things, is contained in the Company's information circular for its most recent annual meeting of Shareholders that involved the election of directors.

Forward Looking Information

Certain statements in this AIF constitute "forward-looking statements" or "forward-looking information" (collectively "**forward-looking information**") within the meaning of applicable securities laws involving known and unknown risks, uncertainties and other factors regarding the Company and its intentions, beliefs, expectations and future results. This may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future. Forward-looking statements may include, but are not limited to, statements relating to our future financial outlook and anticipated events or results and may include information regarding our business, financial position, growth plans, strategies, opportunities, operations, plans and objectives. In particular, and without limiting the generality of the foregoing, this AIF contains forward-looking information concerning:

- general market conditions;
- expectations regarding carbon market trends, overall carbon market growth rates and prices for carbon credits and the impact of market trends in the compliance and voluntary market thereon;
- expectations regarding the future development of global voluntary and compliance carbon markets (and related legal, regulatory and administrative frameworks);
- the Company's business plans and strategies;
- future development activities, including acquiring carbon credits, streams and interests in carbon credit projects or entities involved in carbon credits or related businesses;
- the competitive conditions of the industry in which the Company operates;
- political, social and economic conditions; and
- laws and any amendments thereto applicable to the Company and its business.

The Company's forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date the information is provided. Investors should not place undue reliance on forward-looking information.

In certain cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "is expected", "budget", "scheduled", "estimates", "outlook", “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “believes”, or variations of such words and phrases or terminology which states that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. These statements reflect the Company’s current expectations regarding future events and operating performance and speak only as of the date of this AIF.

With respect to forward-looking statements and forward-looking information contained in this AIF, assumptions have been made regarding, among other things:

- the regulatory framework governing carbon credits, stream contracts and related matters in the jurisdictions in which the Company conducts or may conduct its business in the future and where its carbon credits are located or will be generated;
- future trends in the pricing, supply and demand of carbon credits;
- the accuracy and veracity of information and projections sourced from third parties respecting, among other things, demand for carbon credits, growth in carbon markets and anticipated carbon pricing;
- future global economic and financial conditions;
- future expenses and capital expenditures to be made by the Company;
- future sources of funding for the Company’s business;
- the impact of competition on the Company; and
- the Company’s ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this AIF, including (but not limited to):

- volatility in prices of carbon credits and demand for carbon credits;
- change in social or political views towards climate change and subsequent changes in corporate or government policies or regulations and associated changes in demand for carbon credits;
- limited operating history for the Company’s current strategy;
- risks arising from competition and future acquisition activities;
- concentration risk;
- inaccurate estimates of growth strategy, including the ability of the Company to source appropriate opportunities and enter into stream, royalty or other agreements;
- dependence upon key management;
- general economic, market and business conditions and global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- uncertainties and ongoing market developments surrounding the validation and verification requirements of the voluntary and/or compliance markets;

- failure or timing delays for projects to be registered, validated and ultimately developed and for emission reductions or removals to be verified and carbon credits issued;
- foreign operations and political risks including actions by governmental authorities, including changes in or to government regulation, taxation and carbon pricing initiatives;
- due diligence risks, including failure of third parties' reviews, reports and projections to be accurate;
- dependence on project partners, operators and owners, including failure by such counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties;
- failure of projects to generate carbon credits, or natural disasters such as flood or fire which could have a material adverse effect on the ability of any project to generate carbon credits;
- volatility in the market price of the Common Shares or Warrants;
- the effect that the issuance of additional securities by the Company could have on the market price of the Common Shares or Warrants;
- global health crises, such as pandemics and epidemics, including the ongoing COVID-19 pandemic and the uncertainties surrounding the ongoing impact of the COVID-19 pandemic; and
- the other factors discussed under "*Risk Factors*".

Readers are cautioned that the foregoing lists of factors are not exhaustive. Should one or more of these risks and uncertainties materialize, or should the Company's estimates or underlying assumptions prove incorrect, actual results, performance or achievements may vary materially from those described in forward-looking statements and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. They should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. Moreover, the Company does not assume responsibility for the outcome of the forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking information.

The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking information except as expressly required by applicable securities laws.

Market Data

This AIF contains statistical data, market research and industry forecasts that were obtained from government or other industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Often, such information is provided subject to specific terms and conditions limiting the liability of the provider, disclaiming any responsibility for such information, and/or limiting a third-party's ability to rely on such information. None of the authors of such publications and reports has provided any form of consultation, advice or counsel regarding any aspect of, or is in any way whatsoever associated with the Company. Further, certain of these organizations are advisors to participants in the carbon credit industry and may present information in a manner that is more favourable to that industry than would be presented by an independent source. Actual outcomes may vary materially from those forecast in such reports or publications and the prospect for material variation can be expected to increase as the length of the forecast period increases.

While the Company believes this data to be reliable, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any market or other survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. The Company has not verified any of the data from third party sources referred to in this AIF or ascertained the underlying assumptions relied upon by such sources.

GLOSSARY OF CERTAIN TERMS

In this AIF, the following words or phrases have the following meanings:

"**ACoGS**" means avoided conversion of grasslands and shrublands.

"**Advisory Board**" means the board of advisors engaged by the Company to assist in the areas of carbon markets, forest management and development, carbon offset projects, marketing, corporate governance and the like.

"**AFOLU**" means agriculture, forestry and other land-use.

"**AIF**" means an annual information form that is prepared pursuant to Part 6 of National Instrument 51-102 - *Continuous Disclosure Obligations*.

"**Amalco**" means 1253661 B.C. Ltd.

"**Amalgamation**" means the three-cornered amalgamation involving the Company, its wholly owned subsidiary, 1247374 B.C. Ltd., and Fundco, which was completed effective June 17, 2020.

"**Amalgamation Agreement**" means an amalgamation agreement dated June 15, 2020 whereby: (i) the Company's subsidiary, 1247374 B.C. Ltd. amalgamated with Fundco to form a new amalgamated company, Amalco (ii) the Company issued an aggregate of 14,280,000 pre-Consolidation Common Shares (and prior to the consolidation of the Company's shares that was completed on June 15, 2020) to the former shareholders of Fundco (and an equivalent number of Warrants), such that the former shareholders of Fundco became the majority Shareholders of the Company; and (iii) Amalco became a subsidiary of the Company.

"**Audit Committee**" means a committee established by and among the Board of the Company for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company.

"**Awards**" means, collectively, Options, RSUs and PSUs.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended from time to time, including the regulations promulgated thereunder.

"**BCI**" means the Bonobo Conservation Initiative.

"**Bonobo Peace Forest Term Sheet**" means the exclusive term sheet with BCI to provide initial funding for BCI to develop the Bonobo Peace Forest Projects.

"BECCS" means bioenergy with carbon capture and storage.

"**Board**" means the Company's board of directors, as constituted from time to time.

"**Bonobo Peace Forest Projects**" means the two projects expected to cover a total of 2,611,831 hectares, located within the Sankuru Nature Reserve and the Kokolopori Bonobo Reserve in the Bonobo Peace Forest, a network of community-managed protected areas in the Democratic Republic of the Congo.

"**Bonobo Peace Forest Royalty**" means the 5% royalty agreement between the Company and BCI covering the carbon credit revenues generated from the Bonobo Peace Forest Projects.

"**carbon credits**" means carbon offsets, carbon allowances forest offsets and other environmental attributes including, without limitation, renewable energy certificates and clean/low carbon fuel standard credits.

"**Carbon Fund Advisors**" means Carbon Fund Advisors Inc.

"**Carbon Streaming**" or the "**Company**" means Carbon Streaming Corporation.

"**CCB Standard**" means the Climate, Community and Biodiversity Standard.

"**CCS**" means carbon capture and storage.

"**CDP**" means CDP Worldwide.

"**CEO**" means chief executive officer.

"**Cerrado Biome**" means ERA's Avoided Conversion Cerrado grouped project in Brazil.

"**Cerrado Biome Stream**" means the purchase and sale agreement entered into on September 8, 2021 between the Company and ERA.

"**CFO**" means chief financial officer.

"**CFPOA**" means the *Corruption of Foreign Public Officials Act* (Canada).

"**Citadelle**" means Citadelle Maple Syrup Producers' Cooperative.

"**Citadelle Term Sheet**" means the exclusive, non-binding term sheet with Citadelle to negotiate terms of initial funding.

"**CO_2**" means carbon dioxide.

"**CO_2e**" means carbon dioxide equivalent, the base reference for the determination of the global warming potential of greenhouse gases in units of CO_2.

"**Co-Benefits**" means any positive impacts, other than direct GHG emissions mitigation, resulting from carbon offset projects.

"**Code**" means the Company's Code of Business Conduct and Ethics.

"**Common Share**" means a common share in the capital of the Company.

“**Company**” or “**Carbon Streaming**” means Carbon Streaming Corporation, a corporation formed under the laws of the Province of British Columbia.

“**CONANP**” means Mexico’s National Commission for Protected Natural Areas.

“**Consolidation**” means the consolidation of the Company’s share capital of one (1) Common Share for every five (5) pre-Consolidation Common Shares, that became effective on October 25, 2021.

“**CORCs**” means CO_2 removal certificates, the carbon credit unit of the Puro.earth Registry.

“**DACCS**” means direct air capture.

“**ERA**” means ERA Cerrado Assessoria e Projectos Ambientais Ltd (formerly ERA Asseossoria e Projectos Ambientais e Agricolas Ltd.).

“**ESG**” means environmental, social and governance.

“**ETS**” means emissions trading system, a form of which is a cap-and-trade program.

“**EU ETS**” means EU Emissions Trading System.

“**FCPA**” means the U.S. Foreign Corrupt Practices Act.

“FCG Amazon Portfolio” four REDD+ projects located throughout the Brazilian Amazon.

“**FCG Amazon Portfolio Royalty**” means the 5% royalty agreement between the Company and Future Carbon covering the carbon credit revenues generated by Future Carbon from its interest in the FCG Amazon Portfolio.

“**FCG Amazon Term Sheet**” means the exclusive term sheet with Future to provide initial funding for Future Carbon to develop the FCG Amazon Portfolio.

“**Founders**” means the founders of InfiniteEARTH.

“**Founders’ Common Shares**” means the 4,539,180 Common Shares (22,695,900 Common Shares on a pre-Consolidation basis) that the Company issued pursuant to the terms of the SAA.

“**Fundco**” means 1247372 B.C. Ltd.

“**Future Carbon**” Future Carbon International LLC, the international division of the Future Carbon Group.

“**GHG**” means greenhouse gas.

“**$GtCO_2$**” means one billion tonnes of carbon dioxide.

“**ICVCM**” means The Integrity Council for the Voluntary Carbon Market.

“**IETA**” means the International Emissions Trading Association.

“**IFRS**” means International Financial Reporting Standards.

“**Incentive Plan**” means the Company’s Omnibus Long-Term Incentive Plan. See *“Description of Capital Structure —Options, Restricted Share Units and Performance Share Units”*.

“**InfiniteEARTH**” means InfiniteEARTH Limited.

“**Investor Rights Agreement**” means the investor rights agreement dated February 18, 2021 between the Company and Osisko.

“**IPCC**” means the Intergovernmental Panel on Climate Change.

“**IRR”** means internal rate of return.

“**IUCN RED**” means the International Union for Conservation of Nature Red List of Threatened Species.

“**Magdalena Bay Blue Carbon Stream**” means the purchase and sale agreement entered into on May 13, 2021 among the Company, Fundación MarVivo Mexico, A.C. and MarVivo Corporation.

“**March 2026 Warrants**” means Common Share purchase warrants of the Company expiring March 2, 2026.

“**MtCO_2e**” means million tonnes of carbon dioxide equivalent.

“**NEO**” means Named Executive Officers.

“**NEO Exchange**” means Neo Exchange Inc.

“N-GEOs” CBL Nature-Based Global Emissions Offset.

“**New Securities**” means, in respect of the Investor Rights Agreement, equity securities.

“**NGFS**” means the Network for Greening the Financial System.

“**NI 52-110**” means National Instrument 52-110 - *Audit Committees*.

“**Option**” means an incentive stock option issued under the Incentive Plan, each of which entitles the holder to purchase one Common Share under certain terms set out under the stock option agreements pursuant to which the Option was issued. See *“Description of Capital Structure —Options, Restricted Share Units and Performance Share Units”*.

“**Osisko**” means Osisko Gold Royalties Ltd.

“**PDD**” means project design documentation.

“**Private Placement**” means the private placement of 104,901,256 Special Warrants of the Company, at a price of US$1.00 per Special Warrant completed on July 19, 2021, for gross proceeds of US$104,901,256.

“**project partner**” means the operator of the carbon project; the terms “project proponent” and “project developer” are also commonly used to identify the project partner.

“**PSU**” means performance share units of the Company issued pursuant to and governed by the Company’s Incentive Plan; each PSU typically entitling the recipient to receive Common Shares, for no additional cash consideration, based on the achievement of certain performance milestones.

“**Qualifying Jurisdictions**” means British Columbia, Alberta and Ontario.

“**REDD**” means Reducing Emissions from Deforestation and forest Degradation, a framework developed by the UNFCCC.

“**Registry**” means a registry for the applicable Standard Body existing for the purpose of serializing and evidencing the origination, ownership, transfer and retirement of carbon credits or VERs, including, without limitation, Verra, the American Carbon Registry, the Climate Action Reserve, the CSA Clean Projects Registry and the Gold Standard.

"**Rimba Raya**" means the Rimba Raya Biodiversity Reserve Project located in Borneo, Indonesia.

"**Rimba Raya Stream**" means the purchase and sale agreement that the Company entered into on July 30, 2021 with InfiniteEARTH.

"**RSU**" means restricted share units of the Company issued pursuant to and governed by the Company's Incentive Plan; each RSU typically entitling the recipient to acquire Common Shares, for a set price (which may be nominal or nil), based on the achievement of certain milestones (based on performance or the passage of time, for example).

"**SAA**" means the strategic alliance agreement that the Company entered into with the Founders.

"**SD VISta Standard**" means the Sustainable Development Verified Impact Standard.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, found at www.sedar.com.

"**September 2026 Warrants**" means Common Share purchase warrants of the Company expiring September 19, 2026.

"**Shareholders**" means, collectively, the registered and beneficial holders of the Common Shares.

"**SMEs**" means small and medium enterprises.

"**Special Warrants**" means the 104,901,256 Special Warrants (pre-Consolidation) issued on July 19, 2021 pursuant to the Private Placement, at a price of US$1.00 per Special Warrant which were automatically converted for no additional consideration on November 20, 2021 into to one unit consisting of one Common Share and one full Common September 2026 Warrants.

"**Standard**" the mandatory GHG related legislative or regulatory requirement administered by the voluntary GHG standard, program or scheme or a Governmental Authority, including a Registry and their applicable protocol(s) for the creation or use of carbon credits.

"**Standard Body**" a governing body making final and binding determinations under a Standard.

"**Stream Participation Right**" means Osisko's exclusive right to participate in, and acquire up to 20% of, any stream, forward sale, prepay, royalty, off-take or similar transaction between the Company, as purchaser and/or creditor, and one or more third party counterparties.

"**Sustainable Community Stream**" means the purchase and sale agreement entered into on June 20, 2022 between the Company and Will Solutions Inc.

"**tCO_2**" means one tonne of carbon dioxide.

"**tCO_2e**" means one tonne of carbon dioxide equivalent.

"**TSX-V**" means the TSX Venture Exchange.

"**UNFCCC**" means the United Nations Framework Convention on Climate Change.

“**Unit**” means the 104,901,256 units (on a pre consolidated basis) issuable to the holders of 104,901,256 previously issued Special Warrants on July 19, 2021, pursuant to the Private Placement. Each Unit underlying a Special Warrant consists of a Common Share and one September 2026 Warrant.

“**UN SDGs**” means the United Nations’ Seventeen Sustainable Development Goals.

“**UpEnergy**” means UpEnergy Group.

"**Verra**” means Verra, an international institution based in Washington D.C. that manages carbon offset standards.

“**VCS**” means Verified Carbon Standard, which is administered by Verra.

“**VCUs**” means verified carbon units, the carbon credit unit of the Verra Registry.

“**VERs**” means Verified Emission Reduction, the carbon credit unit of the Gold Standard Registry.

“**Vintage**” means the year in which the associated emission reductions or removals occurred.

“**Warrant**” means all warrants to purchase Common Shares issued by the Company, including without limitation the March 2026 Warrants and the September 2026 Warrants.

“**Waverly Biochar Stream**” means the purchase and sale agreement entered into on May 11, 2022 between the Company and Waverly RB, a subsidiary of Restoration Bioproducts LLC.

“**Waverly RB**” means Waverly RB SPE LLC.

“**Will Solutions**” means Will Solutions Inc.

“**WZ**” means WilsonZinter Enterprises Ltd.

APPENDIX "A"
AUDIT COMMITTEE CHARTER

See attached

AUDIT COMMITTEE CHARTER

This charter (this "**Charter**") sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the "**Committee**") of the board of directors (the "**Board**") of Carbon Streaming Corporation (the "**Corporation**").

Section 1 Purpose

(1) The primary function of the Committee is to assist the Board by:

(a) recommending to the Board for consideration and further recommendation to the shareholders the appointment and compensation of the external auditor and overseeing the work of the external auditor, including the external auditor's qualifications, independence and performance;

(b) reviewing and approving the quarterly financial statements, the related Management Discussion and Analysis ("**MD&A**"), and similar financial information provided by the Corporation to any governmental body, the shareholders of the Corporation or the public, including by way of press release;

(c) reviewing and recommending that the Board approve annual financial statements, the related MD&A, and similar financial information provided by the Corporation to any governmental body, the shareholders of the Corporation or the public, including by way of press release; and

(d) satisfying itself that adequate procedures are in place for the compilation, calculation and review of the Corporation's disclosure of financial information extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures; and

(e) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and for anything that may be required beyond the Corporation's Whistleblower Policy for the confidential, anonymous submission by employees of the Corporation or its subsidiary entities ("**subsidiaries**") of concerns regarding questionable accounting or auditing matters.

(2) The Committee should primarily fulfill these roles by carrying out the activities enumerated in this Charter.

Section 2 Composition and Membership

(1) The Committee must be comprised of a minimum of three directors, as appointed by the Board, each of whom shall be independent within the meaning of National Instrument 52-110 — *Audit Committees* ("**NI 52-110**") of the Canadian Securities Administrators.

(2) All of the members of the Committee must be financially literate within the meaning of NI 52-110. Being "financially literate" means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

(3) The members of the Committee and its Chair shall be elected by the Board on an annual basis, or until they are removed or their successors are duly appointed.

(4) The members of the Committee may be removed or replaced by the Board at any time. The Chair of the Committee may be removed by the Board at any time. Any member shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of the powers of the Committee, so long as a quorum remains.

Section 3 Meetings

(1) Meetings of the Committee are held at such times and places as the Chair may determine, but in any event not less than at least four times per year.

(2) Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon 48 hours' notice to each of its members. The notice period may be waived by all members of the Committee. Each of the Chair of the Board, the external auditor, the Chief Executive Officer, the Chief Financial Officer or the Corporate Secretary shall also be entitled to call a meeting.

(3) The Chair, if present, will act as the chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee, the Members in attendance may select one of their number to act as chair of the meeting.

(4) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee are made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.

(5) To the extent possible, in advance of every regular meeting of the Committee, the Chair, with the assistance of the Corporate Secretary, should prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials.

(6) The Committee or its Chair should meet with management quarterly in connection with the Corporation's interim financial statements and the Committee should meet not less than quarterly with the auditor, independent of the presence of management.

Section 4 Duties and Responsibilities

In addition to the matters described in Section 1, and any other duties and authorities delegated to it by the Board from time to time, the role of the Committee is to:

(1) General

(a) Review and recommend to the Board changes to this Charter, as considered appropriate from time to time.

(b) Review any and all disclosure regarding the Committee as contemplated by NI 52-110.

(c) Summarize in the Corporation's disclosure materials the Committee's composition and activities, as required.

(2) Internal Controls

(a) Review and satisfy itself on behalf of the Board with respect to the adequacy of the Corporation's internal control systems, including in particular but not exclusively:

(i) management's identification, monitoring and development of strategies to avoid and/or mitigate business risks;

(ii) the adequacy of the security measures that are in place in respect of the Corporation's information systems and the information technology that is utilized by the Corporation; and

(iii) ensuring compliance with legal and regulatory requirements.

(3) Documents/Reports Review

(a) Review and recommend to the Board for approval the Corporation's annual financial statements, and review and approve the Corporation's quarterly financial statements, including in each case any certification, report, opinion or review rendered by the external auditor, and related MD&A. The process of reviewing annual and quarterly financial statements should include but not be limited to:

(i) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;

(ii) reviewing significant accruals, reserves or other estimates;

(iii) reviewing accounting treatment of unusual or non-recurring transactions;

(iv) reviewing disclosure requirements for commitments and contingencies;

(v) reviewing adjustments raised by the external auditor, whether or not included in the financial statements;

(vi) reviewing unresolved differences between management and the external auditor;

(vii) obtaining explanations of significant variances with comparative reporting periods; and

(viii) determining through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed.

(b) Seek to ensure that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures.

(4) External Auditor

(a) Recommend to the Board the nomination of the external auditor for shareholder approval, considering independence and effectiveness, and review the fees and other compensation to be paid to the external auditor.

(b) Advise the external auditor that it is required to report directly to the Committee, and not to management of the Corporation and, if it has any concerns regarding the conduct of the Committee or any member thereof, it should contact the Chair of the Board or any other director.

(c) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.

(d) Review and discuss, with the external auditor all significant relationships they have with the Corporation, its management or employees to determine their independence.

(e) Review and approve requests for any material management consulting or other engagement to be performed by the external auditor and be advised of any other material study undertaken by the external auditor at the request of management that is beyond the scope of the audit engagement letter and related fees.

(f) Review the performance of the external auditor and any proposed dismissal or non-renewal of the external auditor when circumstances warrant.

(g) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has or has not taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

(h) Review with the external auditor (and an internal auditor if one is appointed by the Corporation) their assessment of the internal controls of the Corporation, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses.

(i) Communicate directly with the external auditor, and arrange for the external auditor to report directly to the Committee and to be available to the Committee and the full Board as needed.

(5) Financial Reporting Processes

(a) Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as the Committee sees fit.

(b) Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices relative to the Corporation's peers.

(c) Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.

(d) Consider proposed major changes to the Corporation's accounting principles and practices.

(6) Reporting Process

(a) If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.

(b) Review the scope and plans of the external auditor's audit and reviews. The Committee may authorize the external auditor to perform supplemental reviews or audits as the Committee may deem desirable.

(c) Review annually with the external auditor their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Corporation and its subsidiaries.

(d) Periodically consider the need for an internal audit function, if not present.

(e) Review any significant disagreements between management and the external auditor in connection with the preparation of the financial statements.

(f) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

(g) Review with the external auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.

(h) Review the system in place to seek to ensure that the financial statements, related MD&A and other financial information disseminated to governmental organizations and the public satisfy applicable requirements.

(i) When there is to be a change in auditor, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.

(7) Risk Management

(a) Review program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

(8) General

(a) If considered appropriate, conduct or authorize investigations into any matters within the Committee's scope of activities.

(b) Perform any other activities as the Committee deems necessary or appropriate.

Section 5 Reporting

(1) At the request of the chair of the Board, the Chair will report to the Board at Board meetings on the Committee's activities since the last Committee report to the Board.

Section 6 Access to Information and Authority

(1) For purposes of performing their duties, members of the Committee shall have full access to all corporate information and any other information deemed appropriate by them and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor, and others as they consider appropriate.

(2) The Committee has the authority to retain, at the Corporation's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities (including executive search firms to assist the Committee in

identifying director candidates), including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board.

Section 7 Complaint Procedures

(1) The Chair of the Committee is designated to receive and administer or supervise the administration of employee complaints with respect to accounting or financial control matters.

(2) In order to preserve anonymity when submitting a complaint regarding questionable accounting or auditing matters, the employee may submit a complaint in accordance with the Corporation's Whistleblower Policy, and such complaint shall be addressed in accordance with that policy.

(3) The Chair of the Committee should maintain a log of complaints, tracking their receipt, investigation, findings and resolution, and should prepare a summary report for the Committee.

Section 8 Review of Charter and Committee

(1) The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

(2) The Committee will conduct an annual self-assessment of its performance with respect to its purpose and authority and responsibilities set forth in this Charter. The results of the self-assessment will be reported to the Board.

Dated: June 29, 2021
Approved by: Board of Directors of the Corporation