

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 40-F

[Check one]

- ☒ REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934
- OR
- ☐ ANNUAL REPORT PURSUANT TO SECTION 13(A) OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended \_\_\_\_\_ Commission File Number: \_\_\_\_\_

CARBON STREAMING CORPORATION  
(Exact name of Registrant as specified in its charter)

British Columbia  
(Province or other jurisdiction of incorporation or organization)

6799  
(Primary Standard Industrial Classification Code Number (if applicable))

Not Applicable  
(I.R.S. Employer  
Identification Number (if applicable))

4 King Street West, Suite 401  
Toronto, Ontario, M5H 1B6 Canada  
(647) 846-7765  
(Address and telephone number of Registrant’s principal executive offices)

CT Corporation System  
28 Liberty Street  
New York, NY 10005  
(212) 894-8940  
(Name, address (including zip code) and telephone number (including area code)  
of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares without par value	OFST	The Nasdaq Stock Market LLC
Common Share Purchase Warrants Exp March 2, 2026	OFSTW	The Nasdaq Stock Market LLC
Common Share Purchase Warrants Exp September 19, 2026	OFSTZ	The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act: None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None.

For annual reports, indicate by check mark the information filed with this Form:

☐ Annual information form ☐ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer’s classes of capital or common stock as of the close of the period covered by the annual report: Not applicable.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☐ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards<sup>†</sup> provided pursuant to Section 13(a) of the Exchange Act. ☐

<sup>†</sup> The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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## EXPLANATORY NOTE

Carbon Streaming Corporation (the “**Company**” or “**Carbon Streaming**”) is a Canadian public company whose common shares are listed on the Neo Exchange Inc. under the symbol “NETZ” and whose Share Purchase Warrants expiring March 2, 2026 (“**March 2026 Warrants**”) are listed on the Neo Exchange Inc. under the symbol “NETZ.WT” and whose Share Purchase Warrants expiring September 19, 2026 (“**September 2026 Warrants**”) are listed on the Neo Exchange Inc. 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 OTCQB Venture Market under the symbol “OFSTF”.

The Company is eligible to file its registration statement pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), on Form 40-F pursuant to the multi-jurisdictional disclosure system of the Exchange Act. The Company is a “foreign private issuer” as defined by Rule 3b-4 under the Exchange Act. Equity securities of the Company are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3. The Company is filing this Form 40-F registration statement with the SEC to register its class of common shares, its March 2026 Warrants, and its September 2026 Warrants under Section 12(b) of the Exchange Act.

References to the “**Registrant**” or “**Company**” in this Registration Statement mean Carbon Streaming Corporation and its subsidiaries, unless the context suggests otherwise.

## PRINCIPAL DOCUMENTS

In accordance with General Instruction B.(1) of Form 40-F, the Registrant hereby incorporates by reference Exhibits 99.1 through 99.109, inclusive, as set forth in the Exhibit Index attached hereto.

In accordance with General Instruction D.(9) of Form 40-F, the Registrant has filed written consents of certain experts named in the foregoing Exhibits as Exhibit 99.109, as set forth in the Exhibit Index.

## FORWARD-LOOKING STATEMENTS

This Registration Statement on Form 40-F and the exhibits attached hereto may contain certain forward-looking information and statements, including statements relating to matters that are not historical facts and statements of the Company’s beliefs, intentions and expectations about developments, results and events which will or may occur in the future, including “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian securities laws and within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995, as amended. 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. The forward-looking statements contained in this Registration Statement on Form 40-F are made only as of the date hereof. The forward-looking statements contained in the exhibits incorporated by reference in this Registration Statement on Form 40-F are made only as of the respective dates set forth in such exhibits. The Company does not undertake any obligation to publicly update or revise any forward-looking information except as expressly required by applicable securities laws.

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, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information.

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In particular, and without limiting the generality of the foregoing, this Registration Statement on Form 40-F contains forward-looking information concerning:

- general market conditions;
- expectations regarding trends in the carbon markets, overall growth rates in the carbon markets and prices for carbon credits and carbon allowances;
- 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;
- potential generation, verification and/or delivery of carbon credits;
- potential sale, monetization and/or retirement of carbon credits;
- potential acquisitions and dispositions of assets;
- the competitive conditions of the industry in which the Company operates;
- the political, social and economic conditions in each jurisdiction in which the Company holds an investment; and
- laws and any amendments thereto applicable to the Company.

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 Registration Statement on Form 40-F. With respect to forward-looking statements and forward-looking information contained herein, 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.
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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 Registration Statement on Form 40-F, including:

- dependence on key management;
- limited operating history for the Company's current strategy;
- concentration risk;
- inaccurate estimates of growth strategy, including the ability of the Company to source appropriate opportunities/investments;
- volatility in prices of carbon credits and demand for carbon credits;
- general economic, market and business conditions;
- failure or timing delays for projects to be validated and ultimately developed or greenhouse gases emissions reductions and removals to be verified and carbon credits issued;
- uncertainties and ongoing market developments surrounding the regulatory framework applied to the verification, and cancellation of carbon credits and the Company's ability to be, and remain, in compliance;
- actions by governmental authorities, including changes in or to government regulation, taxation and carbon pricing initiatives;
- uncertainties surrounding the ongoing impact of the COVID-19 pandemic;
- foreign operations and political risks;
- risks arising from competition and future acquisition activities;
- due diligence risks, including failure of third parties' reviews, reports and projections to be accurate;
- global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- dependence on project developers, 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;
- change in social or political views towards climate change and subsequent changes in corporate or government policies or regulations;
- operating and capital costs;
- potential conflicts of interest;
- unforeseen title defects;
- the Company's ability to complete proposed acquisitions and the impact of such acquisitions on the Company's business;
- anticipated future sources of funds to meet working capital requirements;
- future capital expenditures and contractual commitments;
- expectations regarding the Company's growth and results of operations;
- the Company's dividend policy;
- volatility in the market price of the Company's common shares or warrants;
- the effect that the issuance of additional securities by the Company could have on the market price of the Company's common shares or warrants; and
- the other factors discussed under "Risk Factors" in the Company's Annual Information Form for the year ended June 30, 2021 (the "AIF") filed as Exhibit 99.38 to this Registration Statement on Form 40-F.

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. The Company cannot guarantee future results, levels of activity, performance, or achievements. 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.

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## DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this Registration Statement on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company prepares its financial statements, which are filed with this Registration Statement on Form 40-F, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and the audit is subject to Canadian auditing and auditor independence standards. Consequently, the Company's financial statements may not be comparable to those prepared by U.S. companies in accordance with United States generally accepted accounting principles.

## CURRENCY

Unless otherwise indicated, all dollar amounts in this Registration Statement on Form 40-F are in United States dollars. The exchange rate of Canadian dollars into United States dollars, on June 30, 2021, based upon the daily average exchange rate as published by the Bank of Canada, was U.S.\$1.00=CDN\$1.2394. The exchange rate of United States dollars into Canadian dollars, on February 18, 2022 based upon the daily average exchange rate as published by the Bank of Canada, was U.S.\$1.00=CDN\$1.2734.

## TAX MATTERS

Purchasing, holding, or disposing of securities of the Registrant may have tax consequences under the laws of the United States and Canada that are not described in this Registration Statement on Form 40-F.

## DESCRIPTION OF THE SECURITIES

The required disclosure is included under the heading "Description of Capital Structure" in the Registrant's AIF for the fiscal year ended June 30, 2021, filed as Exhibit 99.38 to this Registration Statement.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any "off-balance sheet arrangements" (as that term is defined in paragraph (11) of General Instruction B to Form 40-F) that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

## DISCLOSURE OF CONTRACTUAL OBLIGATIONS

As at June 30, 2021, the Company had the following contractual obligations:

Contractual Obligations	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-Term debt obligations	\$ -	\$ -	\$ -	\$ -	\$ -
Capital (finance) lease obligations	\$ -	\$ -	\$ -	\$ -	\$ -
Operating lease obligations <sup>(1)</sup>	C\$ 142,500	C\$ 30,000	C\$ 90,000	C\$ 22,500	\$ -
Purchase obligations	\$ -	\$ -	\$ -	\$ -	\$ -
Other long-term liabilities reflected on balance sheet	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(1) In February 2021, the Company entered into an operating lease for office space in Burlington, Canada, which has a term of five years, with an annual cost of approximately C\$30,000, and expires on March 31, 2026.

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## NASDAQ CORPORATE GOVERNANCE

A foreign private issuer that follows home country practices in lieu of certain provisions of the listing rules of the Nasdaq Stock Market LLC (the “**Nasdaq Stock Market Rules**”) must disclose the ways in which its corporate governance practices differ from those followed by domestic companies. As required by Nasdaq Rule 5615(a)(3), the Registrant will disclose on its website, <https://www.carbonstreaming.com/>, as of the listing date, each requirement of the Nasdaq Stock Market Rules that it does not follow and describe the home country practice followed in lieu of such requirements.

### UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

#### A. Undertaking

Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

#### B. Consent to Service of Process

Concurrently with the filing of this Registration Statement on Form 40-F, the Registrant will file with the Commission an Appointment of Agent for Service of Process and Undertaking on Form F-X in connection with the class of securities to which this Registration Statement relates.

Any changes to the name or address of the Company’s agent for service shall be communicated promptly to the SEC by amendment to the Form F-X referencing the file number of the Company.

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**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the Company certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereto duly authorized.

Date: February 23, 2022

**CARBON STREAMING CORPORATION**

By:       /s/ Justin Cochrane        
Name: Justin Cochrane  
Title: Chief Executive Officer & Director

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## EXHIBIT INDEX

Exhibit No.	Description
99.1	<a href="#"><u>Condensed Interim Consolidated Financial Statements (unaudited) for the three and six months ended December 31, 2021 and 2020</u></a>
99.2	<a href="#"><u>Management’s Discussion and Analysis for the three and six months ended December 31, 2021</u></a>
99.3	<a href="#"><u>News Release dated February 14, 2022</u></a>
99.4	<a href="#"><u>Certification of Interim Filings (CEO) dated February 14, 2022</u></a>
99.5	<a href="#"><u>Certification of Interim Filings (CFO) dated February 14, 2022</u></a>
99.6	<a href="#"><u>News Release dated February 7, 2022</u></a>
99.7	<a href="#"><u>News Release dated February 1, 2022</u></a>
99.8	<a href="#"><u>News Release dated January 18, 2022</u></a>
99.9	<a href="#"><u>News Release dated January 11, 2022</u></a>
99.10	<a href="#"><u>Second Supplemental Indenture dated November 22, 2021</u></a>
99.11	<a href="#"><u>News Release dated November 22, 2021</u></a>
99.12	<a href="#"><u>News Release dated November 19, 2021</u></a>
99.13	<a href="#"><u>News Release dated November 18, 2021</u></a>
99.14	<a href="#"><u>News Release dated November 16, 2021</u></a>
99.15	<a href="#"><u>Notice Declaring Intention to be Qualified Under National Instrument 44-101 Short Form Prospectus Distributions (“NI 44-101”) dated November 15, 2021</u></a>
99.16	<a href="#"><u>Condensed Interim Consolidated Financial Statements (unaudited) for the three months ended September 30, 2021 and 2020</u></a>
99.17	<a href="#"><u>Management’s Discussion and Analysis for the three months ended September 30, 2021</u></a>
99.18	<a href="#"><u>Certification of Interim Filings (CEO) dated November 15, 2021</u></a>
99.19	<a href="#"><u>Certification of Interim Filings (CFO) dated November 15, 2021</u></a>
99.20	<a href="#"><u>News Release dated November 15, 2021</u></a>
99.21	<a href="#"><u>Report of Voting Results dated November 12, 2021</u></a>
99.22	<a href="#"><u>News Release dated November 12, 2021</u></a>
99.23	<a href="#"><u>Material Change Report dated October 29, 2021</u></a>
99.24	<a href="#"><u>First Supplemental Indenture dated October 22, 2021</u></a>
99.25	<a href="#"><u>First Supplemental Indenture dated October 22, 2021</u></a>
99.26	<a href="#"><u>First Supplemental Indenture dated October 22, 2021</u></a>
99.27	<a href="#"><u>News Release dated October 19, 2021</u></a>
99.28	<a href="#"><u>Form of Proxy with respect to Annual and Special Meeting to be held on November 12, 2021</u></a>
99.29	<a href="#"><u>Notice of Availability of Proxy Materials with respect to Annual and Special Meeting to be held on November 12, 2021</u></a>
99.30	<a href="#"><u>Management Information Circular dated September 30, 2021</u></a>
99.31	<a href="#"><u>Notice of Annual and Special Meeting to be held on November 12, 2021</u></a>
99.32	<a href="#"><u>News Release dated October 5, 2021</u></a>
99.33	<a href="#"><u>News Release dated September 28, 2021</u></a>
99.34	<a href="#"><u>Form 13-501F2 – Class 2 Reporting Issuers – Participation Fee dated September 27, 2021</u></a>
99.35	<a href="#"><u>Audited Consolidated Financial Statements for the Years ended June 30, 2021 and 2020</u></a>
99.36	<a href="#"><u>Form 13-502F2 – Class 2 Reporting Issuers – Participation Fee dated September 27, 2021</u></a>
99.37	<a href="#"><u>Management’s Discussion and Analysis for the year ended June 30, 2021</u></a>
99.38	<a href="#"><u>Annual Information Form for the fiscal year ended June 30, 2021</u></a>
99.39	<a href="#"><u>Form 52-109F1 – IPO/RTO, Certification of Annual Filings Following and Initial Public Offering, Reverse Takeover or Becoming a Non-Venture Issuer (CEO) dated September 27, 2021</u></a>
99.40	<a href="#"><u>Form 52-109F1 – IPO/RTO, Certification of Annual Filings Following and Initial Public Offering, Reverse Takeover or Becoming a Non-Venture Issuer (CFO) dated September 27, 2021</u></a>
99.41	<a href="#"><u>News Release dated September 17, 2021</u></a>
99.42	<a href="#"><u>News Release dated September 13, 2021</u></a>

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99.43	<a href="#"><u>Special Warrant Indenture dated as of July 19, 2021</u></a>
99.44	<a href="#"><u>Warrant Indenture dated as of July 19, 2021</u></a>
99.45	<a href="#"><u>Notice of Meeting and Record Date to be held on November 12, 2021</u></a>
99.46	<a href="#"><u>News Release dated August 19, 2021</u></a>
99.47	<a href="#"><u>Material Change Report dated August 11, 2021</u></a>
99.48	<a href="#"><u>News Release dated August 5, 2021</u></a>
99.49	<a href="#"><u>Report of Exempt Distribution dated July 29, 2021</u></a>
99.50	<a href="#"><u>News Release dated August 3, 2021</u></a>
99.51	<a href="#"><u>News Release dated July 30, 2021</u></a>
99.52	<a href="#"><u>Report of Exempt Distribution dated July 29, 2021</u></a>
99.53	<a href="#"><u>Material Change Report dated July 29, 2021</u></a>
99.54	<a href="#"><u>News Release dated July 27, 2021</u></a>
99.55	<a href="#"><u>News Release dated July 26, 2021</u></a>
99.56	<a href="#"><u>Early Warning Report dated July 21, 2021</u></a>
99.57	<a href="#"><u>News Release dated July 21, 2021</u></a>
99.58	<a href="#"><u>News Release dated July 20, 2021</u></a>
99.59	<a href="#"><u>Articles</u></a>
99.60	<a href="#"><u>Notice of Articles</u></a>
99.61	<a href="#"><u>Certificate of Incorporation; Certificate of Restoration; Certificate of Change of Name</u></a>
99.62	<a href="#"><u>News Release dated July 15, 2021</u></a>
99.63	<a href="#"><u>Amalgamation Agreement dated effective June 15, 2020</u></a>
99.64	<a href="#"><u>Investors Rights Agreement date as of February 18, 2021</u></a>
99.65	<a href="#"><u>Annual Information Form for the fiscal year ended June 30, 2020</u></a>
99.66	<a href="#"><u>Certification of Annual Information Form (CEO) dated July 15, 2021</u></a>
99.67	<a href="#"><u>Certification of Annual Information Form (CFO) dated July 15, 2021</u></a>
99.68	<a href="#"><u>Code of Business Conduct and Ethics</u></a>
99.69	<a href="#"><u>News Release dated June 29, 2021</u></a>
99.70	<a href="#"><u>News Release dated June 9, 2021</u></a>
99.71	<a href="#"><u>News Release dated June 7, 2021</u></a>
99.72	<a href="#"><u>Management Information Circular dated May 28, 2021</u></a>
99.73	<a href="#"><u>Form of Proxy with respect to Annual and Special Meeting to be held on June 29, 2021</u></a>
99.74	<a href="#"><u>Notice of Annual and Special Meeting to be held on June 29, 2021</u></a>
99.75	<a href="#"><u>News Release dated June 3, 2021</u></a>
99.76	<a href="#"><u>Condensed Interim Consolidated Financial Statements (unaudited) for the three and nine months ended March 31, 2021 and 2020</u></a>
99.77	<a href="#"><u>Management's Discussion and Analysis for the three and nine months ended March 31, 2021</u></a>
99.78	<a href="#"><u>Certification of Interim Filings (CEO) dated May 31, 2021</u></a>
99.79	<a href="#"><u>Certification of Interim Filings (CFO) dated May 31, 2021</u></a>
99.80	<a href="#"><u>News Release dated May 17, 2021</u></a>
99.81	<a href="#"><u>Report of Exempt Distribution dated May 20, 2021</u></a>
99.82	<a href="#"><u>News Release dated May 14, 2021</u></a>
99.83	<a href="#"><u>Early Warning Report dated May 14, 2021</u></a>
99.84	<a href="#"><u>News Release dated May 12, 2021</u></a>
99.85	<a href="#"><u>Notice of Meeting and Record Date for Annual Meeting to be held on June 29, 2021</u></a>
99.86	<a href="#"><u>News Release dated April 11, 2021</u></a>
99.87	<a href="#"><u>News Release dated March 24, 2021</u></a>
99.88	<a href="#"><u>Report of Exempt Distribution dated March 19, 2021</u></a>
99.89	<a href="#"><u>Certification of Interim Filings (CEO) dated March 1, 2021</u></a>
99.90	<a href="#"><u>Certification of Interim Filings (CFO) dated March 1, 2021</u></a>
99.91	<a href="#"><u>Condensed Interim Consolidated Financial Statements (unaudited) for the three and six months ended December 31, 2020 and 2019</u></a>
99.92	<a href="#"><u>Management's Discussion and Analysis for the three and six months ended December 31, 2020</u></a>
99.93	<a href="#"><u>News Release dated February 8, 2021</u></a>
99.94	<a href="#"><u>Report of Exempt Distribution dated February 1, 2021</u></a>
99.95	<a href="#"><u>Report of Exempt Distribution dated December 22, 2020</u></a>

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99.96	<a href="#"><u>Certification of Interim Filings (CEO) dated November 26, 2020</u></a>
99.97	<a href="#"><u>Certification of Interim Filings (CFO) dated November 26, 2020</u></a>
99.98	<a href="#"><u>Condensed Interim Consolidated Financial Statements (unaudited) for the three months ended September 30, 2020 and 2019</u></a>
99.99	<a href="#"><u>Management’s Discussion and Analysis for the three months ended September 30, 2020</u></a>
99.100	<a href="#"><u>Form 13-501F2 – Class 2 Reporting Issuers – Participation Fee dated October 20, 2020</u></a>
99.101	<a href="#"><u>Form 13-502F2 – Class 2 Reporting Issuers – Participation Fee dated October 20, 2020</u></a>
99.102	<a href="#"><u>Management’s Discussion and Analysis for the year ended June 30, 2020</u></a>
99.103	<a href="#"><u>Certification of Annual Filings (CEO) dated October 20, 2020</u></a>
99.104	<a href="#"><u>Certification of Annual Filings (CFO) dated October 20, 2020</u></a>
99.105	<a href="#"><u>Notice of Change of Auditor</u></a>
99.106	<a href="#"><u>Letter from Former Auditor dated July 20, 2020</u></a>
99.107	<a href="#"><u>Letter from Successor Auditor dated July 20, 2020</u></a>
99.108	<a href="#"><u>Amended and Restated Articles</u></a>
99.109	<a href="#"><u>Consent of Baker Tilly WM LLP</u></a>

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN UNITED STATES DOLLARS)  
(UNAUDITED)

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**CARBON STREAMING CORPORATION**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Expressed in United States Dollars)(Unaudited)**

	As at December 31, 2021	As at June 30, 2021 Restated (Note 2)
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 103,886,878	\$ 108,380,802
Amounts receivable and prepaid	667,469	198,732
Carbon credit inventory (Note 4)	1,645,265	-
	106,199,612	108,579,534
<b>Non-Current Assets</b>		
Carbon credit streaming investments (Note 5)	26,746,529	500,000
Other strategic assets (Note 6)	35,059,706	-
<b>Total Assets</b>	<b>\$ 168,005,847</b>	<b>\$ 109,079,534</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,216,030	\$ 1,037,164
Warrant liabilities (Note 7)	104,282,769	-
<b>Total Liabilities</b>	<b>106,498,799</b>	<b>1,037,164</b>
<b>Shareholders' Equity</b>		
Share capital (Note 8(b))	191,088,097	51,705,862
Special warrant subscriptions (Note 8(c))	-	71,511,660
Share-based payment reserve	4,185,727	3,200,033
Deficit	(133,766,776)	(18,375,185)
<b>Total Shareholders' Equity</b>	<b>61,507,048</b>	<b>108,042,370</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 168,005,847</b>	<b>\$ 109,079,534</b>

Nature of operations (Note 1)  
Commitments (Note 13)  
Subsequent event (Note 14)

The accompanying notes are an integral part of these Interim Financial Statements.

**CARBON STREAMING CORPORATION**  
**Condensed Interim Consolidated Statements of Net and Comprehensive Loss**  
**(Expressed in United States Dollars)(Unaudited)**

	<b>Three Months Ended December 31,</b>		<b>Six Months Ended December 31,</b>	
	<b>2021</b>	<b>2020</b> Restated (Note 2)	<b>2021</b>	<b>2020</b> Restated (Note 2)
<b>Revenue</b>				
Sale of carbon credits (Note 4)	\$ 145,000	\$ -	\$ 145,000	\$ -
Cost of carbon credits sold	(125,000)	-	(125,000)	-
Gross profit	20,000	-	20,000	-
<b>Expenses</b>				
Amortization (Note 6)	888,691	-	888,691	-
Consulting fees	149,117	408,143	522,745	410,160
Unrealized foreign exchange (gain) loss	(148,270)	-	593,173	-
Marketing	314,223	-	561,007	-
Office and general	262,507	2,074	548,833	4,008
Professional fees	173,379	20,700	237,314	31,689
Regulatory fees	161,119	4,599	379,580	10,733
Salaries and fees	3,835,339	-	4,414,759	-
Share based compensation (Note 10)	794,193	-	1,030,635	-
Loss before other items	(6,410,298)	(435,516)	(9,156,737)	(456,590)
<b>Other items</b>				
Revaluation of warrant liabilities (Note 7)	(40,938,074)	-	(81,443,779)	-
Net and Comprehensive Loss for the Period	\$ (47,348,372)	\$ (435,516)	\$ (90,600,516)	\$ (456,590)
Basic and Diluted Loss per Share	\$ (1.38)	\$ (0.14)	\$ (3.14)	\$ (0.15)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	34,279,569	3,108,225	28,885,300	3,051,703

The accompanying notes are an integral part of these Interim Financial Statements.

**CARBON STREAMING CORPORATION**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in United States Dollars)(Unaudited)**

	<b>Six Months Ended December 31,</b>	
	<b>2021</b>	<b>2020 Restated (Note 2)</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (90,600,516)	\$ (456,590)
Items not affecting cash		
Unrealized foreign exchange loss	728,613	-
Amortization	888,691	-
Share based compensation	1,030,635	-
Revaluation of warrant liabilities	81,443,779	-
Changes in non-cash working capital items		
Amounts receivable and prepaid	(468,737)	(600)
Carbon credit inventory	(1,645,265)	-
Accounts payable and accrued liabilities	1,178,866	426,045
<b>Net Cash Used in Operating Activities</b>	<b>(7,443,934)</b>	<b>(31,145)</b>
<b>Investing Activities</b>		
Carbon credit streaming investments	(26,246,529)	-
Purchase of other strategic assets	(4,400,750)	-
<b>Net Cash Used in Investing Activities</b>	<b>(30,647,279)</b>	<b>-</b>
<b>Financing Activities</b>		
Common shares issued for cash, net of costs (Note 8(b))	-	195,659
Common shares issued on exercise of warrants and options (Note 8(b))	1,335,286	-
Subscription receipts	-	621,268
Special warrants subscriptions (Note 8(c))	32,990,616	-
<b>Net Cash Provided by Financing Activities</b>	<b>34,325,902</b>	<b>816,927</b>
<b>Effect of foreign exchange on cash</b>	<b>(728,613)</b>	<b>-</b>
<b>Net change in Cash</b>	<b>(3,765,311)</b>	<b>785,782</b>
<b>Cash, Beginning of Period</b>	<b>108,380,802</b>	<b>250,284</b>
<b>Cash, End of Period</b>	<b>\$ 103,886,878</b>	<b>\$ 1,036,066</b>
<b>Supplemental Information</b>		
Income taxes paid	\$ -	\$ -
Interest paid (received)	\$ -	\$ -
Common shares issued for other strategic assets	\$ 31,547,647	\$ -

The accompanying notes are an integral part of these Interim Financial Statements.



**CARBON STREAMING CORPORATION**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**  
**(Expressed in United States Dollars)(Unaudited)**

	Share Capital		Subscriptions received	Share- based payment reserve	Deficit	Total
	Number	Amount				
<b>Balance, June 30, 2020 (Restated Note 2)</b>	<b>2,995,127</b>	<b>\$ 11,740,783</b>	<b>\$ -</b>	<b>\$1,521,210</b>	<b>\$ (13,115,696)</b>	<b>\$ 146,297</b>
Shares issued for cash, net of costs (Note 8(b))	970,000	195,659	-	-	-	195,659
Subscriptions received	-	-	621,268	-	-	621,268
Net loss for the period	-	-	-	-	(456,590)	(456,590)
<b>Balance, December 31, 2020 (Restated Note 2)</b>	<b>3,965,127</b>	<b>\$ 11,936,442</b>	<b>\$ 621,268</b>	<b>\$1,521,210</b>	<b>\$ (13,572,286)</b>	<b>\$ 506,634</b>
<b>Balance, June 30, 2021 (Restated Note 2)</b>	<b>20,672,831</b>	<b>\$ 51,705,862</b>	<b>\$ 71,511,660</b>	<b>\$3,200,033</b>	<b>\$ (18,375,185)</b>	<b>\$108,042,370</b>
Receipts for Special Warrants (Note 8(c))	-	-	33,389,596	-	-	33,389,596
Special Warrants converted to Common Shares (Note 8(c))	20,980,250	104,502,276	(104,502,276)	-	-	-
Share issuance costs	-	-	(398,980)	-	-	(398,980)
Shares issued for other strategic assets (Note 6)	4,539,180	31,547,647	-	-	-	31,547,647
Shares issued on exercise of warrants (Note 8(b))	350,032	3,227,480	-	-	-	3,227,480
Shares issued on exercise of stock options (Note 8(b))	20,000	104,832	-	(44,941)	-	59,891
Share based compensation (Note 10)	-	-	-	1,030,635	-	1,030,635
Reclassification of warrant liabilities	-	-	-	-	(24,791,075)	(24,791,075)
Net loss for the period	-	-	-	-	(90,600,516)	(90,600,516)
<b>Balance, December 31, 2021</b>	<b>46,562,293</b>	<b>\$191,088,097</b>	<b>\$ -</b>	<b>\$4,185,727</b>	<b>\$(133,766,776)</b>	<b>\$ 61,507,048</b>

All shares have been adjusted to reflect a share consolidation on a basis of five pre-consolidation Common Shares for one post-consolidation Common Share.

The accompanying notes are an integral part of these interim consolidated financial statements.

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Six Months Ended December 31, 2021 and 2020**  
**(Expressed in United States Dollars, unless otherwise noted)(Unaudited)**

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**1. Nature of operations**

Carbon Streaming Corporation (the “**Company**” or “**Carbon Streaming**”) was incorporated on September 13, 2004 under the Business Corporations Act (British Columbia) and is a unique environmental, social and governance (ESG) principled company offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing, and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

The Company’s common shares (“**Common Shares**”) are listed on the Neo Exchange Inc. (“**NEO Exchange**”) under the symbol “NETZ”, the warrants that expire in March 2026 (the “**March 2026 Warrants**”) are listed on the NEO Exchange under the symbol “NETZ.WT” and the warrants that expire in September 2026 (the “**September 2026 Warrants**”) are listed on the NEO Exchange under the symbol “NETZ.WT.B”. The Company’s Common Shares are also traded on the OTCQB Markets under the symbol “OFSTF” and listed on the Frankfurt Stock Exchange under the symbol “M2Q”.

The head office and principal address of the Company are located at 4 King Street West, Toronto, Ontario, Canada, M5H 1B6. The Company’s registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

On October 22, 2021, the Company completed a share consolidation of its share capital on a basis of five pre-consolidation Common Shares for one post-consolidation Common Share. All Common Shares, per Common Share amounts, special warrants, warrants, stock options and restricted share units in these condensed interim consolidated financial statements (the “**Interim Financial Statements**”) have been retroactively restated to reflect the share consolidation.

All financial information in this document is presented in United States dollars (“\$” or “**US\$**”) unless otherwise indicated.

These Interim Financial Statements of the Company for the three and six months ended December 31, 2021 were approved and authorized for issue by the Audit Committee of the Board of Directors on February 11, 2022.

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Six Months Ended December 31, 2021 and 2020**  
**(Expressed in United States Dollars, unless otherwise noted)(Unaudited)**

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**1. Nature of operations (continued)**

Uncertainties due to COVID-19

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The duration and full financial effect of the COVID-19 pandemic continues to be unknown at this time, as is the efficacy of any interventions. The ongoing COVID-19 pandemic could materially adversely affect our business, financial position and results of operations. In particular, travel restrictions have impacted, and continue to impact, the timing of validation and verification deadlines for certifying organizations, which could delay the timing of delivery of carbon credits to the Company. In addition, the COVID-19 pandemic has had and may continue to have impacts on our ability to source, evaluate, and visit investment opportunities, and on the development, management and operation of carbon credit projects by third parties.

In the current environment, the assumptions and judgments made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 pandemic and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company’s valuation of its long-lived assets. Actual results may differ materially from these estimates.

**2. Change in functional and presentation currency**

Effective July 1, 2021, the Company determined that its functional currency had changed from Canadian dollar (“C\$”) to the United States dollar. The Company made the determination considering the significance of the July 19, 2021 private placement to the Company’s operations, that the Company intends to raise capital in US\$, and that carbon credit streaming agreements are primarily based in US\$. Concurrent with the change in functional currency, the Company also changed its presentation currency from C\$ to US\$.

The Company operates in a mixture of currencies and therefore the determination of functional currency involves certain judgments to determine the primary economic environment in which the Company operates. The Company also reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment.

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Six Months Ended December 31, 2021 and 2020**  
**(Expressed in United States Dollars, unless otherwise noted)(Unaudited)**

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**2. Change in functional and presentation currency (continued)**

The change in functional currency from C\$ to US\$ is accounted for prospectively from July 1, 2021. Prior period comparable information has been restated to reflect the change in presentation currency. The Company elected to apply the exchange rate at June 30, 2021 of US\$1 equal to C\$1.2394 to translate all prior period comparable information to reflect the change in presentation currency as at June 30, 2021 and for the three and six months ended December 31, 2020. Foreign currency transactions are translated into the functional currency using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at fair value through profit and loss. Gains and losses arising from foreign exchange are included in profit and loss.

**3. Statement of compliance and basis of presentation**

*Statement of compliance*

These Interim Financial Statements have been prepared on a condensed basis in accordance with International Accounting Standard 34 - Interim Financial Reporting issued by IAS Board and interpretations of the International Financial Reporting Interpretations Committee using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and includes the accounts of the Company and its subsidiary.

The same significant accounting policies and methods of computation were followed in the preparation of these Interim Financial Statements as were followed in the preparation and described in note 3 of the annual consolidated financial statements as at and for the year ended June 30, 2021, except for new accounting policies noted below. Accordingly, these Interim Financial Statements for the three and six months ended December 31, 2021 should be read together with the annual consolidated financial statements as at and for the year ended June 30, 2021.

Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these Interim Financial Statements are presented below.

*Basis of presentation*

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

*Basis of consolidation*

These Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiary, 1253661 B.C. Ltd.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Six Months Ended December 31, 2021 and 2020**  
**(Expressed in United States Dollars, unless otherwise noted)(Unaudited)**

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**3. Statement of compliance and basis of presentation (continued)**

Carbon credit inventory

Carbon credit inventory is initially recorded at cost, on the date that significant risks and rewards of ownership of the carbon credit pass to the Company. Cost comprises all costs of purchase, including the purchase price, and other costs directly attributable to the purchase. Subsequent to initial recognition carbon credits classified as inventory are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Carbon credit streaming investments

Carbon credit streaming investments with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Cost includes the purchase price, and costs that are directly attributable to the acquisition and preparing the investment for its intended use. Amortization is recognized on a credits-received basis. The estimated credits to be received and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Investments are assessed for impairment whenever there is an indication that the investment may be impaired. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the investment are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Revenue recognition

The Company recognizes revenue from the sale of carbon credits. Revenue is recognized upon transfer of control of the carbon credits to customers in an amount that reflects the consideration the Company receives. The Company sells carbon credits to customers whereby the Company transfers the carbon credits directly to the customer or retires the carbon credits on the customer's behalf. Revenue from the sale of carbon credits is recorded when the carbon credits have been retired or transferred and the Company's performance obligation has been satisfied.

Significant accounting judgments and estimates

The preparation of these Interim Financial Statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the periods of change, if the change affects that period only, or in the period of the change of future periods, if the change affects both.

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Six Months Ended December 31, 2021 and 2020**  
**(Expressed in United States Dollars, unless otherwise noted)(Unaudited)**

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**3. Statement of compliance and basis of presentation (continued)**

The preparation of these Interim Financial Statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in these Interim Financial Statements include:

*Accounting for carbon credit streaming investments*

The Company from time to time will acquire carbon credit streaming investments. Each carbon credit streaming investment has its own unique terms and significant judgment is required to assess the appropriate accounting treatment.

*Share based compensation*

The Company includes an estimate of share price volatility, expected life, forfeiture rate and risk-free interest rates in the calculation of the fair value for share based payments. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact profit or loss.

*Warrant liabilities*

The fair value of the warrant liabilities is measured using quoted prices or the Black-Scholes pricing model. Assumptions and estimates are made in determining an appropriate risk-free interest rate, volatility, term, dividend yield, discount due to exercise restrictions, and the fair value of common stock. Any significant adjustments to the unobservable inputs would have a direct impact on the fair value of the warrant liabilities. See Note 7.

Accounting standards, amendments and interpretations issued

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on these Interim Financial Statements.

**4. Carbon credit inventory**

In September 2021, the Company acquired Rimba Raya Biodiversity Reserve project verified carbon units (“VCUs”), which are carbon credits that are issued by Verra, an international institution based in Washington D.C. that manages carbon credit standards, outside of its carbon credit streaming investments. The VCUs were acquired at a cost of \$1,770,265. During the six months ended December 31, 2021, the Company sold VCUs with a cost of \$125,000 for gross proceeds of \$145,000. As at December 31, 2021, the Company held VCUs with a cost of \$1,645,265 which are currently held for sale.

**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Six Months Ended December 31, 2021 and 2020**  
**(Expressed in United States Dollars, unless otherwise noted)(Unaudited)**

**5. Carbon credit streaming investments**

As at and for the six months ended December 31, 2021:

	Cost			Accumulated Depletion			Carrying Amount
	Opening	Additions	Ending	Opening	Depletion	Ending	
Rimba Raya (i)	\$ -	\$23,456,729	\$23,456,729	\$ -	\$ -	\$ -	\$23,456,729
MarVivo (ii)	-	2,107,244	2,107,244	-	-	-	2,107,244
Other (iii)(iv)	500,000	682,556	1,182,556	-	-	-	1,182,556
<b>Total</b>	<b>\$500,000</b>	<b>\$26,246,529</b>	<b>\$26,746,529</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$26,746,529</b>

(i) On August 3, 2021, the Company announced that it entered into a carbon credit streaming agreement with InfiniteEARTH Limited (“**InfiniteEARTH**”), the developer of the REDD+ (Reducing Emissions from Deforestation and forest Degradation) Rimba Raya Biodiversity Reserve project in Borneo, Indonesia (the “**Rimba Raya Stream**”). Under the terms of the Rimba Raya Stream, InfiniteEARTH will deliver 100% of the carbon credits created by the project, expected to be over 70 million credits over the next 20 years, less up to 635,000 carbon credits per annum which are already committed to previous buyers. To acquire the Rimba Raya Stream, the Company paid an upfront payment of \$22.3 million. In addition, the Company will make ongoing delivery payments to InfiniteEARTH for each carbon credit that is sold under the Rimba Raya Stream.

Osisko Gold Royalties Ltd (“**Osisko**”) has provided notice to the Company that it intends to exercise its Stream Participation Right (as defined herein) in respect of the Rimba Raya Stream. See “Commitments” (note 13).

(ii) On May 17, 2021, the Company announced that it entered into a carbon credit streaming agreement with MarVivo Corporation (“**MarVivo**”) to implement the proposed MarVivo Blue Carbon Conservation Project in Magdalena Bay in Baja California Sur, Mexico which is focused on the conservation of mangrove forests and their associated marine habitat (the “**MarVivo Stream**”). Under the terms of the MarVivo Stream, MarVivo 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, which is expected to occur in the first half of 2023. To acquire the MarVivo Stream, the Company agreed to pay MarVivo an upfront payment of \$6.0 million. As at December 31, 2021, the Company had paid \$2 million of the upfront payment, with the balance to be paid in four installments upon specific milestones being met during project development. In addition, the Company will make ongoing delivery payments to MarVivo for each carbon credit that is sold under the MarVivo Stream.

Osisko has provided notice to the Company that it intends to exercise its Stream Participation Right in respect of the MarVivo Stream.

(iii) On June 3, 2021, the Company announced that it entered into an exclusive term sheet with the Bonobo Conservation Initiative (“**BCI**”) to provide initial funding of \$0.5 million to BCI to develop two carbon credit projects within the Bonobo Peace Forest located in the Democratic Republic of Congo. On December 30, 2021, the term sheet was amended and restated to increase the amount of the initial funding to \$1.3 million. As at December 31, 2021, the Company has advanced \$0.9 million to BCI, with the balance to be paid in tranches on or before May 1, 2022. The specific terms of definitive carbon credit streaming agreements will be determined once the initial feasibility study work for the carbon credit projects has been completed.

**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Six Months Ended December 31, 2021 and 2020**  
**(Expressed in United States Dollars, unless otherwise noted)(Unaudited)**

**5. Carbon credit streaming investments (continued)**

(iv) On September 13, 2021, the Company announced that it had entered into a carbon credit streaming agreement with Ecosystem Regeneration Associates – ERA Brazil (“**ERA**”), to implement and scale up the Cerrado Biome project, which is aimed at protecting native forests and grasslands in the Cerrado biome, Brazil (the “**Cerrado Biome Stream**”). Under the terms of the Cerrado Biome Stream, ERA will deliver 100% of the carbon credits created by the project, less any pre-existing delivery obligations. To acquire the Cerrado Biome Stream, the Company agreed to pay ERA an upfront payment of \$0.5 million. As at December 31, 2021, the Company had paid \$260,275 of the upfront payment to ERA, with the balance to be paid in subsequent instalments upon specific project 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.

**6. Other strategic assets**

Included in other strategic assets, and in conjunction with the Rimba Raya Stream, the Company and the founders of InfiniteEARTH (“**Founders**”) also entered into a strategic alliance agreement (the “**SAA**”). Carbon Streaming issued 4,539,180 Common Shares (valued at \$31,547,647) and paid \$4.0 million to the Founders as consideration for entering 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 investment opportunities. In addition, the SAA provides Carbon Streaming with a right of first refusal on any carbon credit streaming or royalty financing transaction for projects that are planned in the future, which includes a portfolio of blue carbon credit projects throughout the Americas. The SAA has been recorded as a long-term prepaid asset and is being amortized over 10 years, which is the natural term of the SAA.

**7. Warrant liabilities**

Under IFRS, warrants with an exercise price denominated in a foreign currency are considered financial derivative instruments and the prescribed accounting treatment is to classify these warrants as a current liability measured at fair value upon initial recognition. At each subsequent reporting date, the warrants are re-measured at fair value and the change in fair value is recognized through profit or loss. Upon warrant exercise, the fair value previously recognized in warrant liabilities is transferred from warrant liabilities to share capital.

As a result of the change in functional currency from C\$ to US\$, the following table summarizes the changes in the warrant liabilities for the Company’s C\$ denominated warrants for the period ending December 31, 2021:

	<b>Number of warrants</b>	<b>Amount</b>
<b>Balance, June 30, 2021</b>	<b>12,794,452</b>	<b>\$ -</b>
Fair value recognized on change in functional currency	-	24,791,075
Warrants exercised	(334,532)	(1,952,085)
Revaluation of warrant liabilities	-	81,443,779
<b>Balance, December 31, 2021</b>	<b>12,459,920</b>	<b>\$ 104,282,769</b>



**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Six Months Ended December 31, 2021 and 2020**  
**(Expressed in United States Dollars, unless otherwise noted)(Unaudited)**

**7. Warrant liabilities (continued)**

The March 2026 Warrants are C\$ denominated and listed on the NEO Exchange. For these warrants the fair value has been determined by reference to the quoted closing price at the date of the statement of financial position. The fair value of the Company’s unlisted warrants has been determined using the Black-Scholes pricing model and the following weighted average assumptions:

	As at December 31, 2021	As at July 1, 2021 (transition date)
Spot price (in C\$)	\$ 16.56	\$ 6.20
Risk-free interest rate	1.18%	0.44%
Expected annual volatility	40%	40%
Expected life (years)	4.12	4.62
Dividend	nil	nil

The following table reflects the Company’s C\$ denominated warrants outstanding and exercisable as at December 31, 2021:

Expiry date	Warrants outstanding and exercisable	Exercise price (C\$)	Fair value methodology
April 22, 2025	312,000	0.625	Black-Scholes pricing model
December 16, 2025	128,000	0.625	Black-Scholes pricing model
December 22, 2025	650,000	0.625	Black-Scholes pricing model
January 27, 2026	2,740,000	3.75	Black-Scholes pricing model
March 2, 2026	8,629,920	7.50	Quoted price
	<b>12,459,920</b>	<b>6.07</b>	

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Six Months Ended December 31, 2021 and 2020**  
**(Expressed in United States Dollars, unless otherwise noted)(Unaudited)**

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**8. Share capital**

On October 22, 2021, the Company completed a share consolidation of its share capital on a basis of five pre-consolidation Common Shares for one post-consolidation Common Share. All Common Shares, per Common Share amounts, special warrants, warrants, stock options and restricted share units in these Interim Financial Statements have been retroactively restated to reflect the share consolidation.

a) Authorized share capital

The Company has an unlimited number of voting Common Shares without par value and unlimited number of preferred shares without par value.

b) Issued share capital

As at December 31, 2021, there were 46,562,293 issued and fully paid Common Shares (June 30, 2021 – 20,672,831).

During the six months ended December 31, 2021, the Company:

- issued 350,032 Common Shares for the exercise of warrants for gross proceeds of \$1,275,395 and having an estimated fair value of \$1,952,085, which were transferred to share capital. The weighted average market price at the date of exercise was C\$14.22; and
- issued 20,000 Common Shares for the exercise of options for gross proceeds of \$59,891 and having an estimated fair value of \$44,941, which were transferred to share capital. The weighted average market price at the date of exercise was C\$15.19.

During the six months ended December 31, 2020, the Company:

- in two tranches, issued 970,000 units for gross proceeds of \$195,659. Each unit is comprised of one Common Share and one share purchase warrant, with 280,000 warrants exercisable at C\$0.625 until December 16, 2025 and 690,000 warrants exercisable at C\$0.625 until December 22, 2025.

c) Special Warrants

On November 20, 2021 the Company's special warrants ("**Special Warrants**") automatically converted into one Common Share and one full Common Share purchase warrant which expire on September 19, 2026 at an exercise price of \$7.50 per warrant (the "**September 2026 Warrants**"). The Special Warrants had been issued on July 19, 2021, at a price of \$5.00 per Special Warrant for aggregate gross proceeds to the Company of \$104.9 million. With the conversion, a total of 20,980,250 Common Shares and 20,980,250 September 2026 Warrants were issued to Special Warrant holders.

**CARBON STREAMING CORPORATION**  
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**9. Warrants**

The following table reflects the continuity of all the Company's warrants for the periods ended December 31, 2021 and 2020:

	<b>Number of warrants</b>	<b>Weighted average Exercise price</b>
<b>Balance, June 30, 2020</b>	<b>2,856,000</b>	<b>C\$ 0.625</b>
Granted (Note 8(b))	970,000	C\$ 0.625
<b>Balance, December 31, 2020</b>	<b>3,826,000</b>	
Balance, June 30, 2021	12,794,452	C\$ 1.21
Issued (Note 8(c))	20,980,250	US\$ 7.50
Exercised	(15,500)	US\$ 7.50
Exercised	(334,532)	C\$ 4.38
<b>Balance, December 31, 2021</b>	<b>33,424,670</b>	

The weighted average exercise price of the C\$ and US\$ denominated warrants was C\$6.07 and US\$7.50, respectively.

The following table reflects the Company's US\$ and C\$ denominated warrants outstanding and exercisable as at December 31, 2021:

<b>Expiry date</b>	<b>Warrants outstanding and exercisable</b>	<b>Exercise price</b>
April 22, 2025	312,000	C\$ 0.625
December 16, 2025	128,000	C\$ 0.625
December 22, 2025	650,000	C\$ 0.625
January 27, 2026	2,740,000	C\$ 3.75
March 2, 2026 (March 2026 Warrants)	8,629,920	C\$ 7.50
September 19, 2026 (September 2026 Warrants)	20,964,750	US\$ 7.50
	<b>33,424,670</b>	

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**10. Stock options and restricted share units**

(a) Stock options

The Company has a long term incentive plan (“**LTIP**”), which was last approved by shareholder on November 12, 2021 at the annual and special general meeting of shareholders. The Company has adopted the LTIP as a means to provide incentives to eligible directors, officers, employees and consultants. The LTIP will facilitate granting of stock options, restricted share units (“**RSUs**”) and performance share units (“**PSUs**”), representing the right to receive one Common Share of the Company (and in the case of RSUs or PSUs, one Common Share of the Company, the cash equivalent of one Common Share of the Company, or a combination thereof) in accordance with the terms of the LTIP.

As per the terms of the LTIP, the maximum aggregate number of Common Shares reserved for issuance under the LTIP shall not exceed a combined total of 10% of the Company’s issued and outstanding Common Shares.

The following table reflects the continuity of stock options for the periods ended December 31, 2021 and 2020:

	<b>Number of stock options</b>	<b>Weighted average exercise price (C\$)</b>
<b>Balance, June 30, 2020 and December 31, 2020</b>	<b>-</b>	<b>-</b>
<b>Balance, June 30, 2021</b>	<b>640,000</b>	<b>3.85</b>
Granted	856,000	13.75
Exercised	(20,000)	3.75
<b>Balance, December 31, 2021</b>	<b>1,476,000</b>	<b>9.59</b>

During the six months ended December 31, 2021, the Company granted 856,000 stock options to officers, directors, employees and advisors. The fair value of the stock options was estimated to be \$3,530,198 using the Black-Scholes option pricing model and the following weighted average assumptions: exercise price of C\$13.75, share price of C\$14.47, risk free interest rate of 1.32%, an expected life of 5 years and an expected volatility of 37%.

The following table reflects the Company’s stock options outstanding and exercisable as at December 31, 2021:

<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Weighted average exercise price (C\$)</b>	<b>Weighted average remaining contractual life (years)</b>	<b>Expiry date</b>
570,000	570,000	3.75	4.25	March 31, 2026
50,000	50,000	5.00	4.44	June 7, 2026
10,000	10,000	11.05	4.75	October 1, 2026
100,000	100,000	11.15	4.76	October 4, 2026
746,000	-	14.13	4.92	December 1, 2026
<b>1,476,000</b>	<b>730,000</b>	<b>9.59</b>	<b>4.63</b>	

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**10. Stock options and restricted share units (continued)**

(b) Restricted share units

The following table reflects the continuity of RSUs for the periods ended December 31, 2021 and 2020:

	<u>Number of RSUs</u>
<b>Balance, June 30, 2020 and December 31, 2020</b>	<b>-</b>
Balance, June 30, 2021	500,000
Granted	482,500
<b>Balance, December 31, 2021</b>	<b>982,500</b>

During the six months ended December 31, 2021, the Company granted 482,500 RSUs to officers, directors, employees and advisors. These RSUs vest 1/3 on each of December 1, 2022, 2023 and 2024. The grant date fair value of the RSUs was \$5,290,003.

For the three and six months ended December 31, 2021, the Company recorded share based compensation expense for these RSU's of \$359,049 and \$595,491, respectively (three and six months ended December 31, 2020: \$nil).

**11. Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

Remuneration of key management personnel of the Company was as follows:

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Salaries and fees (1)(2)	\$ 2,624,251	\$ 112,984	\$ 3,032,408	\$ 112,984
Consulting fees(1)	15,000	22,188	32,000	24,205
Share based compensation	628,077	-	800,861	-
	\$ 3,267,328	\$ 135,172	\$ 3,865,269	\$ 137,189

(1) Salaries and fees paid to the officers and directors for their services.

(2) Included in accounts payable and accrued liabilities are fees owing to officers and directors of \$10,247 as at December 31, 2021 (June 30, 2021: \$36,514).

## **12. Financial instrument fair value and risks factors**

### ***Fair value***

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash, accounts payable and accrued liabilities and warrant liabilities. The carrying value of accounts payable and accrued liabilities approximates their fair value due to their short-term nature. Cash is measured at fair value based on Level 1 of the fair value hierarchy. Certain C\$ denominated warrant liabilities with a quoted trading price are valued based on Level 1 of the fair value hierarchy, the remainder are measured based on Level 3 of the fair value hierarchy.

### ***Risk factors***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### ***Credit Risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is held in credit worthy financial institutions. Credit risk has been assessed as low.

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

Foreign currency risk is the risk that the fair value of financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in Canadian dollars while its functional and presentation currency is the United States dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's held cash of \$24,958,824 in Canadian dollars and accounts payable of \$2,126,924 in Canadian dollars. As the Company has a number of transactions in foreign currencies, currency risk has been assessed as moderate.

Assuming all other variables remain constant, as at December 31, 2021, a 5% weakening or strengthening of the US dollar against the Canadian dollar would result in a change of approximately \$1,096,000 to profit and loss.

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**12. Financial instrument fair value and risks factors (continued)**

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank account was subject to the movements in interest rates. The Company has no-interest bearing debt. Therefore, interest rate risk has been assessed as nominal.

*Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions, liquidity risk has been assessed as low.

**13. Commitments**

In connection with the acquisition of carbon credit streaming investments, the Company pays an upfront deposit to the project developer for the stream or investment. In certain instances, the payment of the upfront deposit is paid in installments, subject to certain milestones and conditions being met. While the timing of such payments is event driven, the Company has made assumptions on the timing of such payments, based on the information currently available. As at December 31, 2021 such conditions had not been met.

Under its carbon credit streaming investments, the Company is required to pay an ongoing delivery payment to the project developer for each credit that is delivered to Carbon Streaming and sold under the carbon stream. The timing and amount of such payments is dependent on the timing of delivery of carbon credits, the net realized price obtained on the sale of the carbon credits and the terms of the applicable carbon credit stream agreement.

From time to time, the Company may enter into sales contracts with customers for the sale of carbon credits. Under these agreements, payment and delivery of the credits will occur at a future date, once credits are delivered to the Company.

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. Under this agreement, Osisko has 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**"). As at December 31, 2021, Osisko has provided notice to the Company that it has elected in principle to participate in the MarVivo Stream, the Rimba Raya Stream and the SAA (see Note 5).

**14. Subsequent event**

On January 11, 2022, the Company granted 10,000 stock options to a director of the Company. These stock options are exercisable at an exercise price of C\$15.43 with an expiry date of January 10, 2027. In addition, the Company granted 10,000 RSUs to the aforementioned director. The stock options and RSUs vest 1/3 on each of December 1, 2022, 2023 and 2024.



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MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2021

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CARBON STREAMING CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2021  
(Expressed in United States dollars, unless otherwise indicated)

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## INTRODUCTION

This management's discussion and analysis ("**MD&A**") is management's assessment of the significant activities of Carbon Streaming Corporation ("**Carbon Streaming**" or the "**Company**") and analyzes the financial results for the three and six months ended December 31, 2021. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended December 31, 2021 and 2020 of the Company with the related notes thereto (the "**Interim Financial Statements**"), and the Company's audited annual consolidated financial statements for the year ended June 30, 2021 and 2020 and the related notes thereto, which are available for viewing on [www.sedar.com](http://www.sedar.com). The effective date of this MD&A is February 11, 2022.

All financial information in this document is prepared in accordance with International Financial Reporting Standards ("**IFRS**") and presented in United States dollars unless otherwise indicated.

Effective July 1, 2021, the Company determined that its functional currency had changed from Canadian dollar ("**C\$**") to the United States dollar ("**\$**" or "**US\$**"). The Company made the determination considering the significance of the July 19, 2021 private placement to the Company's operations, that the Company intends to raise capital in US\$, and that carbon credit streaming agreements are primarily based in US\$. Concurrent with the change in functional currency, the Company also changed its presentation currency from C\$ to US\$.

On October 22, 2021, the Company completed a share consolidation of its share capital on a basis of five pre-consolidation Common Shares (as defined herein) for one post-consolidation Common Share. All Common Shares, per Common Share amounts, Special Warrants (as defined herein), warrants, stock options and RSUs (as defined herein) in the Interim Financial Statements and MD&A have been retroactively restated to reflect the share consolidation.

Management is responsible for the preparation and integrity of the Company's Interim Financial Statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's Interim Financial Statements and MD&A, is complete and reliable.

This MD&A contains forward-looking statements that involve risks and uncertainties. Although such information is considered to be accurate, actual results may differ materially from those anticipated in the statements made. See "Advisories". Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

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## DESCRIPTION OF BUSINESS

Carbon Streaming is a unique environmental, social and governance (ESG) principled company offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

The Company's common shares ("**Common Shares**") are listed on the Neo Exchange Inc. ("**NEO Exchange**") under the symbol "NETZ", the warrants that expire in March 2026 are listed on the NEO Exchange under the symbol "NETZ.WT" and the September 2026 Warrants (as defined herein) are listed on the NEO Exchange under the symbol "NETZ.WT.B". The Company's Common Shares are also traded on the OTCQB Markets under the symbol "OFSTF" and listed on the Frankfurt Stock Exchange under the symbol "M2Q".

### Uncertainties due to COVID-19

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The duration and full financial effect of the COVID-19 pandemic continues to be unknown at this time, as is the efficacy of any interventions. The ongoing COVID-19 pandemic could materially adversely affect our business, financial position and results of operations. In particular, travel restrictions have impacted, and continue to impact, the timing of validation and verification deadlines for certifying organizations, which could delay the timing of delivery of carbon credits to the Company. In addition, the COVID-19 pandemic has had and may continue to have impacts on our ability to source, evaluate, and visit investment opportunities, and on the development, management and operation of carbon credit projects by third parties.

In the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to the potential impact of the COVID-19 pandemic and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company's valuation of its long-term assets. Actual results may differ materially from these estimates.

COMPANY HIGHLIGHTS

- The Company incurred a net loss of \$47.3 million for the quarter, primarily due to a \$40.9 million non-cash charge related to the revaluation of warrant liabilities. Adjusted net loss for the period was \$6.4 million. See “Non-IFRS Measures” for a reconciliation of adjusted net income (loss) to its most comparable IFRS measure.
- On November 22, 2021, the Company announced that it had received approval for trading its Common Shares on the OTCQB Market under the symbol “OFSTF”.
- On November 20, 2021, the Company’s previously issued Special Warrants automatically converted. Upon conversion, the Company issued 20,980,250 Common Shares and 20,980,250 September 2026 Warrants. See “Share Capital”.
- On November 18, 2021, the Company confirmed that it had closed the previously announced blue carbon credit streaming agreement with MarVivo (as defined herein) for the MarVivo Blue Carbon Conservation Project in Magdalena Bay, Mexico. At closing the Company paid \$2.0 million to MarVivo. See “Carbon Credit Investment Portfolio – MarVivo Stream”.
- On October 22, 2021, the Company completed a share consolidation of its share capital on a basis of five pre-consolidation Common Shares for one post-consolidation Common Share. The Company also consolidated all its per Common Share amounts, Special Warrants, warrants, stock options and RSUs on the same basis in accordance with the terms of their governing indentures and certificates. See “Share Capital”.

CARBON CREDIT INVESTMENT PORTFOLIO

As at December 31, 2021, the Company holds the following portfolio of carbon credit streams and investments:

Project	Project Developer	Location	Stage	Project Type	Standard
Rimba Raya	InfiniteEARTH	Indonesia	Issuing Since 2013	Nature	Verra
MarVivo	MarVivo	Mexico	Development	Nature	Pending
Cerrado Biome	ERA	Brazil	Under Validation	Nature	Verra
Bonobo Peace Forest	BCI	DRC	Feasibility	Nature	Pending

Rimba Raya Stream

On August 3, 2021, the Company announced that it entered into a carbon credit streaming agreement with Infinite-EARTH Limited (“**InfiniteEARTH**”), the developer of the REDD+ (Reducing Emissions from Deforestation and forest Degradation) Rimba Raya Biodiversity Reserve project in Borneo, Indonesia (the “**Rimba Raya Stream**”). Under the terms of the Rimba Raya Stream, InfiniteEARTH will deliver 100% of the carbon credits created by the project, expected to be greater than 70 million credits over the next 20 years, less up to 635,000 carbon credits per annum which are already committed to previous buyers. To acquire the Rimba Raya Stream, the Company paid an upfront payment of \$22.3 million. In addition, the Company will make ongoing delivery payments to InfiniteEARTH for each carbon credit that is sold under the Rimba Raya Stream.

Osisko Gold Royalties Ltd (“**Osisko**”) has provided notice to the Company that it intends to exercise its Stream Participation Right (as defined herein) in respect of the Rimba Raya Stream. See “Commitments”.

#### MarVivo Stream

On May 17, 2021, the Company announced that it entered into a carbon credit streaming agreement with MarVivo Corporation (“**MarVivo**”) to implement the proposed MarVivo Blue Carbon Conservation Project in Magdalena Bay in Baja California Sur, Mexico which is focused on the conservation of mangrove forests and their associated marine habitat (the “**MarVivo Stream**”). Under the terms of the MarVivo Stream, MarVivo 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, which is expected to occur in the first half of 2023. To acquire the MarVivo Stream, the Company agreed to pay MarVivo an upfront payment of \$6.0 million. As at December 31, 2021, the Company had paid \$2.0 million of the upfront payment, with the balance to be paid in four installments upon specific milestones being met during project development. In addition, the Company will make ongoing delivery payments to MarVivo for each carbon credit that is sold under the MarVivo Stream.

Osisko has provided notice to the Company that it intends to exercise its Stream Participation Right in respect of the MarVivo Stream.

#### Cerrado Biome Stream

On September 13, 2021, the Company announced that it had entered into a carbon credit streaming agreement with Ecosystem Regeneration Associates – ERA Brazil (“**ERA**”), to implement and scale up the Cerrado Biome project, which is aimed at protecting native forests and grasslands in the Cerrado biome, Brazil (the “**Cerrado Biome Stream**”). Under the terms of the Cerrado Biome Stream, ERA will deliver 100% of the carbon credits created by the project, less any pre-existing delivery obligations. To acquire the Cerrado Biome Stream, the Company agreed to pay ERA an upfront payment of \$0.5 million. As at December 31, 2021, the Company had paid \$0.26 million of the upfront payment to ERA, with the balance to be paid in subsequent instalments upon specific project 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.

#### Bonobo Peace Forest Term Sheet

On June 3, 2021, the Company entered into an exclusive term sheet with the Bonobo Conservation Initiative (“**BCI**”) to provide initial funding of \$0.5 million to BCI to develop two carbon credit projects within the Bonobo Peace Forest located in the Democratic Republic of Congo. On December 30, 2021, the term sheet was amended and restated to increase the amount of the initial funding to \$1.3 million. As at December 31, 2021, the Company has advanced \$0.9 million to BCI, with the balance to be paid in tranches on or before May 1, 2022. The specific terms of definitive carbon credit streaming agreements will be determined once the initial feasibility study work for the carbon credit projects has been completed.

DELIVERIES AND SALES FROM STREAMS AND ROYALTIES

The Company expects to receive the first annual delivery of carbon credits from its streaming investments in calendar 2022. See “Outlook”. For the quarter, sale of carbon credits was the result of the sale of a portion of the Rimba Raya credits held in inventory which were acquired outside of the Company’s carbon credit streaming investments (see Note 4 of the Interim Financial Statements).

OUTLOOK

The Company’s strategy for calendar 2022 is to focus on acquiring additional stream and royalty investments to grow its portfolio. The Company has a pipeline of potential opportunities of \$200 million near term (defined by management as less than 12 months), out of a total pipeline of \$700 million, with plans to invest in new carbon projects as the Company focuses on growing and diversifying its high-quality portfolio of carbon credit streams and investments. See “Advisories”.

The Company expects to receive the first annual delivery of carbon credits from its streaming investments in calendar 2022. On January 18, 2022, the Company provided the following guidance for carbon credit volumes generated by current projects and volumes attributable to the Company in accordance with the stream terms:

	Range
2022E Carbon Credit Volumes <sup>1</sup>	6,400,000 to 7,400,000 Credits
2022E Attributable Carbon Credit Volumes <sup>2</sup>	5,000,000 to 5,600,000 Credits

- (1) Carbon credit volumes are estimated based on forecasts provided by project developers and historical credit generation by the project. Actual results may vary. For the Rimba Raya Stream, volumes reflect receiving two (2) annual verification cycles of credits; for the Cerrado Biome Stream, volumes reflect receiving four (4) annual verification cycles of credits.
- (2) Attributable carbon credit volumes are composed of credits attributable to the Company, which is calculated based on the carbon credits estimated to be verified by the registry, less (i) credits committed to previous buyers and (ii) credits that are subject to Stream Participation Rights. See “Commitments”.

	Range
2022E Delivery Payment to Developers <sup>3</sup>	75% to 85% of Sale Price

- (3) Delivery payment to project developers is subject to fluctuation based on the net realized price obtained on the sale of carbon credits and the terms of the carbon credit stream agreement.

As the Company continues to grow, it believes that providing guidance on carbon credit volumes and attributable carbon credits volumes is a useful metric for investors to understand the cash flow of the Company’s upcoming calendar year.

Due principally to due diligence delays related to COVID-19 and changes to carbon baseline methodologies for specific pipeline opportunities, previously announced guidance for calendar 2021 for annual carbon credit generation targets for completed investments were not met. With the Company’s evolution, it will no longer be using this metric, as management feels that carbon credit volumes delivered is a more useful measure for investors to measure the Company’s financial performance.

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For a comprehensive discussion of the risks, assumptions and uncertainties that could impact the Company’s outlook, investors are urged to review the section of the Company’s Annual Information Form (“AIF”) entitled “Risk Factors” a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

RESULTS OF OPERATIONS

SUMMARY OF QUARTERLY RESULTS

The following is a summary of certain financial information for each of the eight most recently completed quarters:

	<u>Dec 31, 2021</u>	<u>Sep 30, 2021</u>	<u>Jun 30, 2021</u>	<u>Mar 31, 2021</u>
Revenue	\$ 145,000	\$ -	\$ -	\$ -
Net income (loss)	(47,348,372)	(43,252,144)	(2,277,115)	(1,876,275)
Basic and diluted income (loss) per share (\$)	(1.38)	(1.84)	(0.20)	(0.20)
Total Assets	<u>168,005,847</u>	<u>171,312,320</u>	<u>109,079,534</u>	<u>28,748,186</u>
	<u>Dec 31, 2020</u>	<u>Sep 30, 2020</u>	<u>Jun 30, 2020</u>	<u>Mar 31, 2020</u>
Revenue	\$ -	\$ -	\$ -	\$ -
Net income (loss)	(435,516)	(21,074)	(9,200)	(67,531)
Basic and diluted income (loss) per share (\$)	(0.14)	(0.01)	(0.00)	(0.48)
Total Assets	<u>1,039,033</u>	<u>279,660</u>	<u>252,651</u>	<u>-</u>

Changes in revenue, net loss and total assets on a quarter-by-quarter basis are primarily the result of the Company’s refocused business model of acquiring, managing, and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits. Over the past eight quarters net loss has primarily increased as a result of increased expenses related to the Company’s new business strategy and in the past two quarters it has also increased due to the recognition and subsequent revaluation of warrant liabilities as a result of the Company’s change in functional currency. As a result of this refocused business model, comparisons to historical quarters prior to March 31, 2021, may not be useful to readers.

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For the three months ended December 31, 2021, compared to the three months ended December 31, 2020

The Company incurred a net loss of \$47.3 million during the three months ended December 31, 2021, compared to a net loss of \$0.4 million for the three months ended December 31, 2020. The results for the three months ended December 31, 2021, were primarily due to the following items:

- During the three months ended December 31, 2021, the Company recorded a change in warrant liabilities of \$40.9 million representing the change in estimated fair value of the liabilities during the period.
- During the three months ended December 31, 2021, the Company recorded an increase of \$3.8 million in salaries and fees over the comparative period in 2020. This represents the salaries and fees of the new management and directors tasked with refocusing and growing the Company's business.
- The Company incurred \$0.9 million of marketing, office and general, professional, and regulatory expenses for the three months ended December 31, 2021, compared to \$nil for the three months ended December 31, 2020. The increase is in line with the Company's significant growth profile.
- During the three months ended December 31, 2021, the Company recorded a foreign exchange gain of \$0.1 million which resulted from the Company's C\$ transactions during this period in which the C\$ appreciated.
- During the three months ended December 31, 2021, the Company recorded amortization on other strategic assets of \$0.9 million compared to \$nil for the three months ended December 31, 2020.

For the six months ended December 31, 2021, compared to the six months ended December 31, 2020

The Company incurred a net loss of \$90.6 million during the six months ended December 31, 2021, compared to a net loss of less than \$0.5 million for the six months ended December 31, 2020. The results for the six months ended December 31, 2021, were primarily due to the following items:

- During the six months ended December 31, 2021, the Company recorded a change in warrant liabilities of \$81.4 million representing the revaluation of the warrants from July 1, 2021 to December 31, 2021.
- During the six months ended December 31, 2021, the Company recorded an increase of \$4.4 million in salaries and fees over the comparative period in 2020. This represents the salaries and fees of the new management and directors tasked with refocusing and growing the Company's business.
- The Company incurred \$1.7 million of marketing, office and general, professional, and regulatory expenses for the six months ended December 31, 2021, compared to \$nil for the six months ended December 31, 2020. The increase is in line with the Company's significant growth profile.
- During the six months ended December 31, 2021, the Company recorded a foreign exchange loss of \$0.6 million which resulted from the Company's C\$ transactions and net assets during this period in which the C\$ depreciated.
- During the six months ended December 31, 2021, the Company recorded amortization on other strategic assets of \$0.9 million compared to \$nil for the six months ended December 31, 2020.



## LIQUIDITY AND CASH FLOW

### Liquidity

As of December 31, 2021, the Company had a working capital deficit of \$0.3 million, which includes cash of \$103.9 million. The largest short-term liability relates to warrant liabilities (see Note 7 of the Interim Financial Statements) which is not a cash amount owing. The warrant liabilities represent an estimate of the fair value of issued share purchase warrants, previously issued and exercisable in C\$. Given the impact of the warrant liabilities (a non-cash item) on working capital, the Company prefers to use an adjusted working capital measure. The Company's adjusted working capital as at December 31, 2021, was \$104.0 million (June 30, 2021: \$107.6 million). Please see "Non-IFRS Measures" on page 17 for more details.

The Company's ability to meet its obligations and execute its business strategy depends on its ability to generate cash flow from the delivery and sale of carbon credits, as well as through the issuance of its securities, the exercise of stock options and warrants and short-term or long-term loans. Based on current cash balances and sources, the Company believes it has access to sufficient resources to undertake its current business plan and satisfy its commitments for the foreseeable future.

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of \$61.5 million at December 31, 2021 (June 30, 2021: \$108.0 million). There were no changes in the Company's approach to capital management during the period.

There is no assurance that the Company will be able to access debt, equity or alternative funding at the times and in the amounts required to meet the Company's obligations and fund activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funding going forward.

### Cash Flows

#### *Operating Activities*

Cash used in operating activities was \$7.4 million for the six months ended December 31, 2021, which resulted from operating expenses during the normal course of business and an increase in accounts payable, and partially offset by an increase in amounts receivable and prepaid, as well as the purchase of carbon credit inventory.

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*Investing Activities*

Cash used in investing activities was \$30.6 million for the six months ended December 31, 2021, related primarily to the investments in carbon credit streaming investments and other strategic assets. See “Carbon Credit Investment Portfolio”.

*Financing Activities*

Cash provided by financing activities was \$34.3 million for the six months ended December 31, 2021, related to proceeds from the issuance of the Special Warrants and the exercise of warrants and options. See “Share Capital”.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company’s executive officers and members of the Board of Directors (the “**Board**”).

Remuneration of key management personnel of the Company was as follows:

	Three Months Ended		Six Months Ended	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Salaries and fees <sup>1,2</sup>	\$ 2,624,251	\$ 112,984	\$ 3,032,408	\$ 112,984
Consulting fees <sup>1</sup>	15,000	22,188	32,000	24,205
Share-based compensation	628,077	-	800,861	-
<b>Total</b>	<b>\$ 3,267,328</b>	<b>\$ 135,172</b>	<b>\$ 3,865,269</b>	<b>\$ 137,189</b>

- (1) Salaries and fees paid to the executive officers and directors for their services.
- (2) Included in accounts payable and accrued liabilities are fees owing to officers and directors of \$0.01 million as at December 31, 2021 (June 30, 2021 – less than \$0.01 million).

SUBSEQUENT EVENTS

On January 11, 2022, the Company granted 10,000 stock options to a director of the Company. These stock options are exercisable at an exercise price of C\$15.43 with an expiry date of January 10, 2027. In addition, the Company granted 10,000 RSUs to the aforementioned director. The stock options and RSUs vest 1/3 on December 1, 2022, 1/3 on December 1, 2023, and 1/3 on December 1, 2024.

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SHARE CAPITAL

As at February 9, 2022, the Company has the following items of share capital outstanding:

	Share Capital
Common Shares issued and outstanding	46,670,293
Warrants	33,316,670
Stock options <sup>1</sup>	1,486,000
RSUs <sup>2</sup>	992,500

- (1) Options are issued pursuant to and governed by the Company’s Long Term Incentive Plan (the “LTIP”).
- (2) Restricted share units (“RSUs”) are issued pursuant to and governed by the LTIP and represent a right to receive Common Shares (or the cash equivalent) at a future date, as determined by the established vesting conditions. RSU settlements is determined at the sole discretion of the Board, and can be settled in Common Shares, cash or a combination thereof.

In October 2021, the Company granted 110,000 stock options to an officer and employee of the Company. These stock options are exercisable at a weighted average exercise price of C\$11.15 with an expiry five years from the date of grant. In addition, the Company granted 130,000 RSUs to the aforementioned officer and employee and vest 1/3 on each of the first, second and third anniversaries of the date of grant.

On October 22, 2021, the Company completed a share consolidation of its share capital on a basis of five pre-consolidation Common Shares for one post-consolidation Common Share. All amounts of Common Shares, per Common Share amounts, Special Warrants, warrants, stock options and RSUs in this MD&A and the Company’s corresponding Interim Financial Statements have been retroactively restated to reflect the share consolidation.

On November 20, 2021, the Company’s special warrants (“**Special Warrants**”) automatically converted into one Common Share and one full Common Share purchase warrant which expire on September 19, 2026 at an exercise price of \$7.50 per warrant (the “**September 2026 Warrants**”). The Special Warrants had been issued on July 19, 2021, at a price of \$5.00 per Special Warrant for aggregate gross proceeds to the Company of \$104.9 million. With the conversion, a total of 20,980,250 Common Shares and 20,980,250 September 2026 Warrants were issued to Special Warrant holders.

On December 9, 2021, the Company granted a total of 746,000 stock options to officers, directors, employees and advisors of the Company, exercisable at a price of C\$14.13 per share. These options vest 1/3 on December 1, 2022, 1/3 on December 1, 2023, and 1/3 on December 1, 2024, and expire on December 1, 2026. In addition, the Company granted 352,500 RSUs to officers, directors, employees, and advisors. These RSU’s vest 1/3 on December 1, 2022, 1/3 on December 1, 2023, and 1/3 on December 1, 2024.

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COMMITMENTS

As at December 31, 2021, the Company had the following commitments:

	Less than 1 year	1 to 3 years	Over 4 years	Total
Trade and other payables	\$ 2,216,030	\$ -	\$ -	\$ 2,216,030
Payments related to acquisition of streaming investments <sup>(1)</sup>	4,640,000	-	-	4,640,000
<b>Total</b>	<b>\$ 6,856,030</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,856,030</b>

- (1) In connection with the acquisition of carbon credit streaming investments, the Company pays an upfront deposit to the project developer for the stream or investment. In certain instances, the payment of the upfront deposit is paid in installments, subject to certain milestones and conditions being met. While the timing of such payments is event driven, the Company has made assumptions on the timing of such payments, based on the information currently available. As at December 31, 2021 such conditions had not been met. See “Carbon Credit Investment Portfolio” for a description of project specific commitments.

Under its carbon credit streaming investments, the Company is required to pay an ongoing delivery payment to the project developer for each credit that is delivered to Carbon Streaming and sold under the carbon stream. The timing and amount of such payments is dependent on the timing of delivery of carbon credits, the net realized price obtained on the sale of the carbon credits and the terms of the carbon credit stream agreement.

From time to time, the Company may enter into sales contracts with customers for the future sale of carbon credits. Under these agreements, payment and delivery of the credits will occur at a future date once credits are delivered to the Company.

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. Under this agreement, Osisko has 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**”). As at December 31, 2021, Osisko has provided notice to the Company that it has elected in principle to participate in the MarVivo Stream, the Rimba Raya Stream and the Strategic Alliance Agreement (see Notes 5 and 6 of the Interim Financial Statements).

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company did not have any off-balance sheet arrangements.

FINANCIAL INSTRUMENT FAIR VALUE AND RISK FACTORS

Fair Value

	As at	
	Dec 31, 2021	Jun 30, 2021
Financial Assets		
Cash	\$ 103,886,878	\$ 108,380,802
<b>Total financial assets</b>	<b>\$ 103,886,878</b>	<b>\$ 108,380,802</b>
Financial Liabilities		
Trade and other payables	\$ 2,216,030	\$ 1,037,164
Warrant liabilities	104,282,769	-
<b>Total financial liabilities</b>	<b>\$ 106,498,799</b>	<b>\$ 1,037,164</b>

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash, accounts payable and accrued liabilities and warrant liabilities. The carrying value of accounts payable and accrued liabilities approximates their fair value due to their short-term nature. Cash is measured at fair value based on Level 1 of the fair value hierarchy. Certain C\$ denominated warrant liabilities with a quoted trading price are valued based on Level 1 of the fair value hierarchy, the remainder are measured based on Level 3 of the fair value hierarchy.

Risk Factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

*Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is held at a credit worthy financial institution. Credit risk has been assessed as low.

#### *Currency Risk*

Foreign currency risk is the risk that the fair value of financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in Canadian dollars while its functional currency is the US dollars. The Company does not hedge its exposure to fluctuations in foreign exchange rates. As at December 31, 2021, the Company held cash of US\$25 million in Canadian dollars and had accounts payable of US\$2.1 million in Canadian dollars. As the Company has a number of transactions in foreign currencies, currency risk has been assessed as moderate.

Assuming all other variables remain constant, as at December 31, 2021, a 5% weakening or strengthening of the Canadian dollar against the US dollar would result in a change of approximately \$1.1 million to comprehensive profit or loss.

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank account was subject to the movements in interest rates. The Company has no interest-bearing debt. Therefore, interest rate risk has been assessed as nominal.

#### *Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions, liquidity risk has been assessed as low.

### KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Interim Financial Statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the Interim Financial Statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the periods of change, if the change affects that period only, or in the period of the change of future periods, if the change affects both.

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The preparation of the Interim Financial Statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in the Interim Financial Statements include:

*Accounting for carbon credit streaming investments*

The Company from time to time will acquire carbon credit streaming investments. Each carbon credit streaming investment has its own unique terms and significant judgment is required to assess the appropriate accounting treatment.

*Share based compensation*

The Company includes an estimate of share price volatility, expected life, forfeiture rate and risk-free interest rates in the calculation of the fair value for share-based payments. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact profit and loss.

*Warrant liabilities*

The fair value of the warrant liabilities is measured using quoted prices or the Black-Scholes pricing model. Assumptions and estimates are made in determining an appropriate risk-free interest rate, volatility, term, dividend yield, discount due to exercise restrictions, and the fair value of common stock. Any significant adjustments to the unobservable inputs would have a direct impact on the fair value of the warrant liabilities.

DISCLOSURE OF INTERNAL CONTROLS

In accordance with National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") of the Canadian Securities Administrators, the Company issues a "Certification of Interim Filings". This Certification requires certifying officers to certify, among other things, that they are responsible for establishing and maintaining Disclosure Controls and Procedures ("DC&P") and Internal Controls over Financial Reporting ("ICFR") as those terms are defined in NI 52-109. The control framework used to design the Company's ICFR is based on the framework established in Internal Control - Integrated Framework (2013) by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company's ICFR are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's ICFR may not prevent or detect all misstatements because of inherent limitations.

There have been no changes in the Company's ICFR during the quarter ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, its ICFR.

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The Company’s DC&P is designed to provide reasonable assurance that material information relating to the Company is made known to the Company’s certifying officers by others, particularly during the period in which the interim filings are being prepared, and that information required to be disclosed by the Company in its annual filings, interim filings and other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

NON-IFRS MEASURES

The term “adjusted working capital” and “adjusted net income (loss)” in this MD&A are not standardized financial measures under IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. These non-IFRS measures should not be considered in isolation or as a substitute for measures of performance or cash flows as prepared in accordance with IFRS. Management believes that these non-IFRS measures, together with measures prepared in accordance with IFRS, provide useful information to investors and shareholders in assessing the Company’s liquidity and overall performance.

Adjusted Working Capital

Given the impact of warrant liabilities (a non-cash item) on working capital, the Company prefers to use an ‘adjusted working capital’ measure. Adjusted working capital is calculated as current assets, less current liabilities, and adjusted for warrant liabilities which the Company views as having a significant non-cash impact on the Company’s working capital calculation. The warrant liabilities represent non-cash settled liabilities and are an estimate of fair value of warrants previously issued by the Company exercisable in C\$. Adjusted working capital is used by the Company to monitor its capital structure, liquidity, and its ability to fund current operations. Adjusted working capital is not a standardized financial measure under IFRS and therefore may not be comparable to similar financial measures presented by other companies.

The following table reconciles current assets and liabilities to adjusted working capital:

	As at	
	Dec 31, 2021	Jun 30, 2021
Current assets	\$ 106.2	\$ 108.6
Current liabilities	106.5	1.0
Working capital (deficit)	(0.3)	107.6
Adjustment for non-cash settled items	-	-
Warrant liabilities	104.3	-
Adjusted working capital	<u>\$ 104.0</u>	<u>\$ 107.6</u>



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Adjusted Net Income (Loss) and Income (Loss) Per Share

Given the impact of the revaluation of warrant liabilities (a non-cash item) on net and comprehensive loss and income (loss) per share, the Company prefers to use an ‘adjusted net income (loss)’ or ‘adjusted net loss’ and ‘adjusted income (loss) per share’ or ‘adjusted loss per share’ measures. Adjusted net income (loss) is calculated as net and comprehensive loss and adjusted for the revaluation of warrant liabilities which the Company views as having a significant non-cash impact on the Company’s net and comprehensive loss calculation and per share amounts. Adjusted net loss is used by the Company to monitor its results from operations for the period. Adjusted net loss is not a standardized financial measure under IFRS and therefore may not be comparable to similar financial measures presented by other companies.

The following table reconciles net and comprehensive loss to adjusted net loss:

(US\$ millions)	Three Months Ended		Six Months Ended	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Net and comprehensive loss	\$ (47.3)	\$ (0.4)	\$ (90.6)	\$ (0.5)
Adjustment for non-cash settled items				
Revaluation of warrant liabilities	40.9	-	81.4	-
Adjusted net loss	\$ (6.4)	\$ (0.4)	\$ (9.2)	\$ (0.5)
Loss per Share	\$ (1.38)	\$ (0.14)	\$ (3.14)	\$ (0.15)
Adjusted Loss per Share	\$ (0.19)	\$ (0.14)	\$ (0.32)	\$ (0.15)

RISK FACTORS

The Company is exposed to a variety of known and unknown risks in the pursuit of its strategic objectives. The impact of any risk may adversely affect, among other things, the Company’s business, financial condition and operating results, which may affect the market price of its securities. The Company monitors its risks on an ongoing basis and seeks to mitigate these risks as and when possible. For a comprehensive discussion of the risks and uncertainties that could have an effect on the business and operations of the Company, investors are urged to review the section of the AIF entitled “Risk Factors” and Annual Consolidated Financial Statements each as of June 30, 2021, copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

ADVISORIES

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated in such forward-looking statements.

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The Company currently believes the expectations reflected in these forward-looking statements are reasonable but cannot assure that such expectations will prove to be correct, and thus, such statements should not be unduly relied upon. These forward-looking statements are made as of the date of this MD&A and the Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, unless required pursuant to applicable laws. Risk and assumptions that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the headings "Forward-Looking Information" and "Risk Factors" in the Company's AIF and under the heading "Risks Factors" and "Financial Instrument Fair Value and Risk Factors" in this MD&A. Although the Company has attempted to take into account important factors that could cause actual costs or operating results to differ materially, there may be other unforeseen factors and therefore results may not be as anticipated, estimated or intended.

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 potential carbon streaming opportunities. Projects may also be removed from the Company's pipeline by the Company. Other than described above under the heading "Carbon Credit Investment Portfolio", the Company has not entered into any definitive agreements for the acquisition of carbon credits. However, consistent with the Company's past practices and in the ordinary course of its business, the Company is regularly engaged in the sourcing and evaluation of possible transactions and at any time may be in various stages of discussions with respect to possible opportunities with third parties.

The foregoing is based on underlying assumptions and factors that management believes are reasonable in the circumstances, given the applicable time periods, the Company's capabilities and business plan. However, there can be no assurance that we will be successful in achieving the levels of carbon investments set out above.

#### ADDITIONAL INFORMATION

Additional information with respect to the Company, including the Interim Financial Statements and Company's AIF, have been filed with Canadian securities regulatory authorities and is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.carbonstreaming.com](http://www.carbonstreaming.com). Information contained in or otherwise accessible through the Company's website does not form a part of this MD&A and is not incorporated by reference into this MD&A.



NEO Exchange: **NETZ**  
OTCQB: **OFSTF** | FSE: **M2Q**

## NEWS RELEASE

### CARBON STREAMING ANNOUNCES QUARTERLY FINANCIAL RESULTS

*Momentum Continues amid Strengthening Carbon Market with MarVivo Stream Closing, Uplisting to OTCQB and Strategic Additions to Board and Management*

*Quarterly Update Call to be held on Tuesday February 15, 2022*

TORONTO, ON, February 14, 2022, Carbon Streaming Corporation (NEO: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) (“**Carbon Streaming**” or the “**Company**”) has released its financial results for the three and six -months ended December 31, 2021. All figures in United States Dollars, unless otherwise indicated. The Company is hosting a live audio call at 11 a.m. EST on Tuesday February 15, 2022. Details on how to register and participate in the conference call are provided below.

Carbon Streaming CEO Justin Cochrane commented: “We enter 2022 with a strong cash position and solid foundation to deliver on our corporate mission of fighting climate change and positively impacting the surrounding communities and ecosystems where we invest. The next twelve months will be a formative period for the Company as we continue to execute on our vision by deploying critically needed financing to scale carbon projects and meet demand.”

#### Q2 Carbon Credit Streams

- Carbon Streaming closed its third carbon credit streaming agreement with MarVivo Corporation for the right to purchase the greater of 200,000 credits or 20% of the annual verified carbon credits from the MarVivo Blue Carbon Project each year. Located in Baja California Sur, Mexico, the project is focused on the conservation of mangrove forests and their associated marine ecosystem.

#### Q2 Corporate & Financial Highlights

- As of December 31, 2021, the Company had \$103.9 million in cash and no corporate debt.
  - For the six months ended December 31, 2021, the Company invested and committed to invest \$62.2 million in carbon credit streaming investments and strategic assets.
  - The Company upgraded its OTC listing to the OTCQB Market on November 22, 2021, under the symbol OFSTF.
-

- On November 20, 2021, the Company’s previously issued Special Warrants automatically converted into 21.0 million shares and 21.0 million warrants. As of December 31, 2021, the Company had 46.6 million Common Shares and 33.4 million Warrants outstanding.
- The Company’s securities commenced trading on a post-consolidation basis on October 25, 2021. The consolidation was implemented on the basis of one post-consolidation common share for every five pre-consolidation common shares (1-for-5).
- The Company significantly strengthened its team by adding Mr. Geoff Smith as President and COO, Mr. Derek Sawkins as EVP, Investments and Strategy, and Ms. Candace MacGibbon and Ms. Alice Schroder (January 2022) to the Board of Directors of the Company.
- The Company incurred a net loss of \$47.3 million for the quarter, primarily due to a \$40.9 million non-cash charge related to the revaluation of warrant liabilities for its Canadian dollar denominated warrants. Adjusted net loss, which removes the impact of the warrant liabilities revaluation, was a loss of \$6.4 million. Adjusted net income (loss) is a Non-IFRS measure, see “Advisories - Non-IFRS Measures”.

## **Carbon Markets Update**

- The voluntary carbon markets (“**VCM**”) experienced strong price appreciation and exceptional growth throughout 2021.
- Nature based carbon credits are currently trading at an average of \$14.88/credit (as seen on [www.carboncredits.com](http://www.carboncredits.com)). REDD+ credits have nearly tripled in price since Carbon Streaming invested in both the Rimba Raya and Cerrado Biome projects.
- The VCM exceeded \$1 billion in transactions in 2021, according to Ecosystem Marketplace.

## **Audio Conference Call**

Analysts and investors are invited to join an interactive audio call on Tuesday February 15, 2022, at 11 a.m. EST during which CEO Justin Cochrane, President Geoff Smith and other members of the management team will provide a brief company update and answer questions from participants. Register in advance at: <http://www.directeventreg.com/registration/event/5636805>.

Detailed call-in instructions will be emailed once participant registration is complete. An audio replay of the conference call will be available on the Company website until 11:59 p.m. EST March 1, 2022.

## **About Carbon Streaming**

Carbon Streaming is a unique ESG principled company offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

To receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

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## **ON BEHALF OF THE COMPANY:**

Justin Cochrane, Chief Executive Officer  
Tel: 647.846.7765  
info@carbonstreaming.com  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

### **Advisories:**

The references to third party websites and sources contained in this new release are provided for informational purposes and are not to be considered statements of the Company.

### **Non-IFRS Measures**

This news release contains the financial term “adjusted net loss”, which is not considered in the International Financial Reporting Standards (“**IFRS**”). The Company’s determination of this non-IFRS measure may differ from other reporting issuers, and therefore may not be comparable to similar measures presented by other companies where similar terminology is used.

A reconciliation of “net loss” to “adjusted net loss” can be found in the Company’s MD&A for the three and six months ended December 31, 2021 (the “**MD&A**”) in the “Non-IFRS Measures” section and such information is incorporated by reference herein. The MD&A is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com).

This non-IFRS measure should not be considered in isolation or as a substitute for measures of performance or cash flows as prepared in accordance with IFRS. This financial measure is included because management believes that this non-IFRS measure, together with measures prepared in accordance with IFRS, provides useful information to investors and shareholders in assessing the Company’s liquidity and overall performance as it removes the impact of non-cash charges. Refer to the “Non-IFRS Measures” section on page 17 of the MD&A for further details.

### **Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, “forward-looking information”) within the meaning of applicable securities laws. 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 (including, without limitation, statements with respect to execution of the Company’s investment strategy and statements regarding the Company’s financial future) are forward-looking information.

This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s Annual Information Form dated as of September 27, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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**Form 52-109F2**  
**Certification of Interim Filings**  
**Full Certificate**

I, Justin Cochrane, the Chief Executive Officer of Carbon Streaming Corporation, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Carbon Streaming Corporation (the "issuer") for the interim period ended December 31, 2021.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings
  - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
    - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
    - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
  - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
- 5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control Integrated Framework (COSO Framework) published in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission.
- 5.2 **ICFR – material weakness relating to design:** N/A
- 5.3 **Limitation on scope of design:** N/A

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2021 and ended on December 31, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: February 14, 2022

(signed) "Justin Cochrane"

Justin Cochrane  
Chief Executive Officer

**Form 52-109F2**  
***Certification of Interim Filings***  
***Full Certificate***

I, Conor Kearns, the Chief Financial Officer of Carbon Streaming Corporation, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Carbon Streaming Corporation (the "issuer") for the interim period ended December 31, 2021.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings
  - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
    - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
    - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
  - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
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- 5.2 **ICFR – material weakness relating to design:** N/A
- 5.3 **Limitation on scope of design:** N/A



6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2021 and ended on December 31, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: February 14, 2022

(signed) "Conor Kearns"

Conor Kearns  
Chief Financial Officer



NEO Exchange: **NETZ**  
OTCQB: **OFSTF** | FSE: **M2Q**

## NEWS RELEASE

### CARBON STREAMING ANNOUNCES FEBRUARY EVENTS SCHEDULE

TORONTO, ON, February 7, 2022, Carbon Streaming Corporation (NEO: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) (“**Carbon Streaming**” or the “**Company**”) is pleased to announce that Justin Cochrane, CEO and Geoff Smith, President and COO, will be participating in a number of industry conferences this month.

#### Stifel Global Carbon Conference

**Date:** Tuesday February 8, 2022

**Time:** 10:15am ET | **Presentation by Mr. Cochrane**

Featuring keynote by Verra CEO David Antonioli, moderated by Ian Gillies, Diversified Industrials & ESG Analyst. The primary focus of the conference will be on the role of carbon credits and technological innovation in the race to net-zero.

#### Canaccord Genuity 2022 Carbon & Energy Transition Conference

**Date:** Wednesday February 9, 2022

**Time:** 1pm ET | Panel Discussion on Offsetting Environmental Impact through Carbon Credits

Mr. Cochrane will be participating in a panel discussion moderated by Roman Rossi, Canaccord Genuity, Equity Research.

#### BMO Capital Markets’ 31<sup>st</sup> Global Metals & Mining Conference

**Date:** February 27 – March 2, 2022

Mr. Cochrane and Mr. Smith will be speaking during the Carbon Breakfast at 7am ET on Tuesday March 1<sup>st</sup>, 2022 and participating in 1x1 meetings throughout the conference.

#### About Carbon Streaming

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The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

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[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

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## NEWS RELEASE

### CARBON STREAMING TO RELEASE Q2 FINANCIAL RESULTS ON FEBRUARY 14th

TORONTO, ON, February 1, 2022, Carbon Streaming Corporation (NEO: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) (“**Carbon Streaming**” or the “**Company**”) will release its interim financial results for the quarter ended December 31, 2021, before markets open on Monday February 14, 2022.

A conference call for investors and analysts providing an overview of the Company’s interim financial results will be held on Tuesday February 15, 2022, starting at 11:00 a.m. (EST).

**Date:** Tuesday February 15, 2022

**Time:** 11:00 a.m. (EST)

**Registration Link:** <http://www.directeventreg.com/registration/event/5636805>

Upon registering, participants will be provided detailed call-in instructions. A reminder will also be sent to registered participants via email. Following the conference call, an audio replay of the call will be available on the Company website until 11:59 p.m. (EST) March 1, 2022.

### About Carbon Streaming

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### ON BEHALF OF THE COMPANY:

Justin Cochrane, Chief Executive Officer

Tel: 647.846.7765

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[www.carbonstreaming.com](http://www.carbonstreaming.com)

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NEWS RELEASE

CARBON STREAMING PROVIDES 2022 STRATEGIC OBJECTIVES

*Sustained focus executing on investment pipeline, revenue and U.S. listing strategy*

TORONTO, ON, January 18, 2022, Carbon Streaming Corporation (NEO: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) (“**Carbon Streaming**” or the “**Company**”) is pleased to provide its 2022 strategic objectives, including acquiring additional carbon credit stream and royalty investments, revenue from the sale of carbon credits, and executing on its U.S. listing strategy. Values in U.S. dollars unless otherwise noted.

Reflecting on the first calendar year of formal operations and the Company’s outlook for 2022, Justin Cochrane, CEO stated: “If last year was about laying the foundations for success – raising significant capital, listing on the NEO Exchange, announcing our first three flagship carbon streaming investments and expanding our investment and management team – 2022 is the year in which we accelerate the growth of our business.”

Mr. Cochrane continued, “Growth was slower than expected in 2021 because of due diligence delays related to Covid and changes to carbon baseline methodologies for specific pipeline opportunities. Moving into 2022, we anticipate the delivery of approximately 7.0 million carbon credits from our existing stream investments, announcing new carbon project investments around the globe and deepening relationships with our growing community of carbon project developers. We will continue to invest in building the best team in the carbon markets industry and progressing our plans for a proposed U.S. Listing.”

2022 Strategic Plans and Guidance

- Carbon Streaming expects to receive the first annual delivery of carbon credits from its streaming investments in Rimba Raya and Cerrado Biome.

		Low End	High End
2022E Carbon Credit Volumes <sup>(1)</sup>	Credits	6,400,000	7,400,000
2022E Attributable Carbon Credit Volumes <sup>(2)</sup>	Credits	5,000,000	5,600,000
2022E Delivery Payment <sup>(3)</sup>	% Sale Price	75%	85%

(1) Carbon Credit volumes are estimated based on forecasts provided by project developers and historical credit generation by the project. Actual results may vary. For the Rimba Raya project, volumes reflect receiving 2 annual verification cycles of credits; for the Cerrado Biome project, volumes reflect receiving 4 annual verification cycles of credits.

(2) Attributable volumes are composed of credits attributable to the Company, which is calculated based on the carbon credits estimated to be verified by the registry, less (i) credits committed to previous buyers and (ii) credits that are subject to stream participation rights.

(3) Delivery payment to project developers is subject to fluctuation based on the net realized price obtained on the sale of carbon credits and the terms of the carbon credit stream agreement.

- Focus on acquiring additional stream and royalty investments to grow its portfolio. The Company has a pipeline of potential opportunities of \$200 million near term (defined by management as less than 12 months), out of a total pipeline of \$700 million, with plans to invest in new carbon projects as the Company focuses on growing and diversifying its high-quality portfolio of carbon credit streams and investments.
- The Company continues to advance its U.S. listing strategy, with a potential listing on a major U.S. stock exchange, targeted within the first half of this new year.

### **Brand Refresh and New Logo**

The Company is pleased to reveal a new Company logo and associated website. The new logo retains its signature tree and stream, in the emblematic colors of the planet Earth, with the “O” in CARBON being the slashed or communications zero – a nod to the Company’s vision of accelerating the transition to a net-zero carbon future.

### **About Carbon Streaming**

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### **ON BEHALF OF THE COMPANY:**

Justin Cochrane, Chief Executive Officer  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

### **Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including, without limitation, statements and figures with respect to the timing and estimation of future carbon credit generation from the Company’s existing investments; revenue from the sales of carbon credits; the ability to acquire additional investments; the estimated values associated with such additional investments; timing and ability to achieve a U.S. listing; and statements regarding the Company’s financial future) are forward-looking information.

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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 of the potential carbon streaming opportunities referenced above. The opportunity pipeline represents an estimate prepared by management based on current potential investment opportunities and the estimated values of such opportunities, which remain under various states of non-binding proposal, negotiation and/or evaluation by the Company.

This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s Annual Information Form dated as of September 27, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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NEO Exchange: NETZ  
OTCQB: OFSTF  
FSE: M2Q

## NEWS RELEASE

### **CARBON STREAMING WELCOMES ALICE SCHROEDER TO BOARD OF DIRECTORS**

*Board Addition Enhances U.S. Governance as Part of U.S. Listing Strategy*

TORONTO, ONTARIO, January 11, 2022 – Carbon Streaming Corporation (NEO: NETZ) (OTCQB: OFSTF) (FSE: M2Q) (“**Carbon Streaming**” or the “**Company**”) is pleased to announce the addition of Alice Schroeder to the Company’s Board of Directors.

“We warmly welcome Alice Schroeder to Carbon Streaming’s Board of Directors,” stated Company Chairman Maurice Swan. “Her international board experience, combined with her financial and capital markets knowledge will strengthen our Board expertise, especially as we seek to execute on our international investments and U.S. listing strategy.”

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 Prudential plc, 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. 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*.

“As a shareholder of Carbon Streaming, I look forward to taking an active role as an independent director and contributing my strengths on the board to help fight climate change and positively impact local communities while also maximizing shareholder returns,” stated Ms. Schroeder.

Alice Schroeder was formerly CEO and chair of WebTuner Corp from 2014-2017. Prior to WebTuner, Ms. Schroeder was a Managing Director and Senior Advisor in the equities division of Morgan Stanley, leading their global insurance research teams based in London and New York City. She was previously a Managing Director at CIBC Oppenheimer and PaineWebber, beginning her career on Wall Street in 1993.

Ms. Schroeder was appointed to the Board of the Company on January 10, 2022. With this appointment, six of the eight Board members are independent, and three are women. Ms. Schroeder holds an MBA and a BBA from the Red McCombs School of Business at The University of Texas at Austin and is a qualified CPA.

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## **About Carbon Streaming**

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### **ON BEHALF OF THE COMPANY:**

Justin Cochrane, Chief Executive Officer

Tel: 647.846.7765

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[www.carbonstreaming.com](http://www.carbonstreaming.com)

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**SECOND SUPPLEMENTAL INDENTURE**

**DATED AS OF THE 22<sup>nd</sup> DAY OF NOVEMBER, 2021**

**BETWEEN**

**CARBON STREAMING CORPORATION, AS COMPANY**

**AND**

**ODYSSEY TRUST COMPANY, AS WARRANT AGENT**

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**THIS SECOND SUPPLEMENTAL INDENTURE** dated as of November 22, 2021.

**BETWEEN:**

**CARBON STREAMING CORPORATION**, a company existing under the laws of the Province of British Columbia (hereinafter called the “**Company**”)

- and -

**ODYSSEY TRUST COMPANY**, a trust company incorporated under the laws of the Province of Alberta authorized to carry on the business of a trust company in British Columbia (hereinafter called the “**Warrant Agent**”).

**WHEREAS** the Company has entered into a warrant indenture (the “**Original Indenture**”) with the Warrant Agent dated as of July 19, 2021, relating to the issuance of common share purchase warrants (the “**Warrants**”);

**AND WHEREAS** the Company has entered into a first supplemental indenture (the “**First Supplemental Indenture**”) and together with the Original Indenture, the “**Indenture**”) with the Warrant Agent dated as of October 22, 2021;

**AND WHEREAS** pursuant to Section 8.1(h) of the Original Indenture, the Company and the Warrant Agent may enter into a supplemental indenture for the purposes specified therein, including without limitation, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions in the Original Indenture;

**AND WHEREAS** the purpose of this second supplemental indenture (this “**Second Supplemental Indenture**”) is to clarify the definition of “Expiry Date” contained in the Original Indenture in order to remove the ambiguity contained in the definition of “Expiry Date” of the Warrants and to align such definition with the intention of the parties as set forth for in the subscription agreements with purchasers of the Warrants and with the Company’s public disclosure and corporate/securities filings in connection therewith;

**AND WHEREAS** the foregoing recitals are made as representations and statements of fact by the Company and not by the Warrant Agent;

**NOW THEREFORE THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH** that in consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

**ARTICLE 1  
INTERPRETATION**

**Section 1.1 Interpretation Provisions.**

This Second Supplemental Indenture is a supplemental indenture to the Indenture. The Indenture and this Second Supplemental Indenture will be read together and will have effect as though all the provisions of all indentures were contained in one instrument. If any terms of the Indenture are inconsistent with the express terms or provisions hereof, the terms of this Second Supplemental Indenture shall prevail to the extent of the inconsistency. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.

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**ARTICLE 2  
AMENDMENT AND SUPPLEMENT**

**Section 2.1 Amendment to Section 1.1**

The definition of “Expiry Date” in the Indenture shall be deleted in its entirety and replaced with the following:

““**Expiry Date**” means September 19, 2026, the date that is sixty-two (62) months from the first possible date of issue of the Warrants;”

**Section 2.2 Amendments to Schedule “A”**

On page A-1, “[the date which is sixty-two (62) months after the date of issue of the Warrant will be inserted]” shall be deleted in its entirety and replaced with the following:

“September 19, 2026, the date which is sixty-two (62) months after the first possible date of issue of the Warrants”

On page A-3, “on the date that is sixty-two (62) months from the date of issue of the Warrant” shall be deleted in its entirety and replaced with the following:

“on September 19, 2026, the date that is sixty-two (62) months from the first possible date of issue of the Warrants”

**ARTICLE 3  
MISCELLANEOUS**

**Section 3.1 Effective Date.**

This Second Supplemental Indenture shall take effect upon the date first above written.

**Section 3.2 Ratification of Indenture**

The Indenture, as supplemented by this Second Supplemental Indenture, is in all respects ratified and confirmed, and this Second Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent therein provided.

**Section 3.3 Counterparts.**

This Second Supplemental Indenture may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the parties hereto adopt any signatures received by electronic means as original signatures of the parties.

*[Signature Page Follows]*

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**IN WITNESS OF WHICH** this Second Supplemental Indenture has been duly executed by the Company and the Warrant Agent.

Dated as of the date first written above.

**CARBON STREAMING CORPORATION**

Per: /s/ “Justin Cochrane”  
Name: Justin Cochrane  
Title: CEO and Director

**ODYSSEY TRUST COMPANY, as Warrant Agent**

Per: /s/ “Dan Sander”  
Name: Dan Sander  
Title: President, Corporate Trust

Per: /s/ “Amy Douglas”  
Name: Amy Douglas  
Title: Director, Corporate Trust

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**Carbon Streaming Upgrades OTC Listing to OTCQB Market**

*OTCQB listing is the next step in the Company's U.S. listing strategy Common shares will trade on OTCQB under the symbol 'OFSTF' effective November 22<sup>nd</sup>*

TORONTO--(BUSINESS WIRE)--November 22, 2021--Carbon Streaming Corporation (NEO: NETZ) (OTCQB: OFSTF) (FSE: M2Q) ("**Carbon Streaming**" or the "**Company**") is pleased to announce that it has received approval for trading its common shares on the OTCQB Market (the "**OTCQB**") under the symbol OFSTF effective November 22, 2021. As part of the Company's growth strategy, the uplist from the OTC Pink Sheets to the OTCQB should allow a broader range of investors to invest in Carbon Streaming. The Company's common shares will continue to trade on the NEO Exchange under the symbol "NETZ" and on the Frankfurt Stock Exchange under the symbol "M2Q".

Justin Cochrane, Carbon Streaming's CEO, commented: "Carbon Streaming continues to work towards a potential main board U.S. listing in 2022 but trading on the OTCQB represents a bridge for our U.S. investors as we pursue such listing. In the meantime, the OTCQB platform should help to expand our U.S. shareholder profile and allow a broader group of investors to participate in the growing global market for carbon offsets through the Company's existing high- quality investments."

The OTCQB, a U.S. market operated by OTC Markets Group in New York, is designed for developing and entrepreneurial companies in the United States and abroad. To be listed on the OTCQB, companies must be current in their financial reporting and undergo an annual verification and management certification process, including meeting a minimum bid price and other financial conditions. With more compliance and quality standards, the OTCQB provides investors improved visibility to enhance trading decisions. The OTCQB is recognized by the United States Securities and Exchange Commission as an established public market providing public information for analysis and value of securities and trading.

**About Carbon Streaming**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

To receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

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## **Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including, without limitation, statements with respect to the timing of trading of the Company’s common shares on the OTCQB, the potential benefits of listing on the OTCQB and the timing and ability to achieve a main board U.S listing) are forward-looking information. This forward- looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s Annual Information Form dated as of September 27, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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### **Contacts**

#### **ON BEHALF OF THE COMPANY:**

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[www.carbonstreaming.com](http://www.carbonstreaming.com)

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**Carbon Streaming Announces Automatic Conversion of Special Warrants**

*Special Warrants Will Automatically Convert into Common Shares and Warrants on November 20<sup>th</sup>*

*Listing of New Warrants on the NEO Exchange Effective November 24<sup>th</sup>*

*Significant Cash Resources to Deploy Ambitious Investment Strategy*

TORONTO—(BUSINESS WIRE)—November 19, 2021—Carbon Streaming Corporation (NEO: NETZ) (OTCPink: OFSTF) (FSE: M2Q) (“**Carbon Streaming**” or the “**Company**”) is pleased to announce the upcoming automatic conversion of the Company’s previously issued special warrants (the “**Special Warrants**”) effective as of November 20, 2021.

**Highlights**

- Special Warrants will convert into underlying common shares and warrants on November 20, 2021.
- The newly issued warrants will be listed on the Neo Exchange Inc. (the “**NEO Exchange**”) effective November 24, 2021 under the symbol **NETZ.WT.B**.
- No action is required by holders of Special Warrants to receive their underlying Common Shares and July Warrants (as defined below).

“The funds from this placement continue to provide Carbon Streaming with significant cash resources to deploy in execution of its investment strategy,” noted Justin Cochrane, Chief Executive Officer of Carbon Streaming. “We are excited to begin scaling up and diversifying our investment portfolio and building up our near-term cash flow profile,” Mr. Cochrane added.

**About Special Warrants**

The Special Warrants were originally issued effective on July 19, 2021 pursuant to a non-brokered private placement of 104,901,256 Special Warrants at a price of US\$1.00 per Special Warrant for aggregate gross proceeds to the Company of approximately US\$104.9 million. Under the terms of their governing indenture, each Special Warrant will be automatically exercised for no additional consideration into one Unit (as defined below) of the Company, subject to adjustment in certain events, on the date that is four months and one day following the closing date, being November 20, 2021. Each unit (a “**Unit**”) underlying a Special Warrant is comprised of one common share in the capital of the Company (each, a “**Common Share**”) and one Common Share purchase warrant of the Company (each, a “**July Warrant**”). Each July Warrant will expire on September 19, 2026, being sixty-two (62) months from the date of issuance.

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Pursuant to the Company’s prior consolidation of all of its securities on a 1-for-5 basis which took effect on October 22, 2021 (the “**Consolidation**”), each Special Warrant became exercisable to acquire one post-Consolidation Common Share and July Warrant such that the total of Special Warrants was reduced to approximately 20,980,250. As a result of the Consolidation of the Special Warrants, the underlying July Warrants will now be exercisable to purchase one post-Consolidation Common Share at an exercise price of US\$7.50 per share. Copies of the indentures and supplemental indentures governing the Special Warrants and the July Warrants are available on the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

In connection with the deemed exercise of the Special Warrants, the Company is also pleased to announce receipt of final approval for listing of the July Warrants on the NEO Exchange. The July Warrants are expected to commence trading on the NEO Exchange as of 9:30 a.m. EST on November 24, 2021 under the symbol “NETZ.WT.B”, which will allow warrant holders an opportunity to deposit their July Warrants with their brokers prior to trading commencing. The Company’s Common Shares and the Company’s existing listed Common Share purchase warrants will continue to trade on the NEO Exchange under the tickers “NETZ” and “NETZ.WT”, respectively.

Given the deemed exercise of the Special Warrants in accordance with their governing indenture, the Company will withdraw its previously filed prospectus to qualify the distribution of the underlying Common Shares and July Warrants, as it is no longer necessary.

**Additional Information**

Holders of Special Warrants are not required to pay any additional money or consideration, nor take any additional steps or action, in order to receive the Common Shares and July Warrants comprising the Units underlying the Special Warrants. Holders who received their Special Warrants through the DealMaker platform should be able to access their Common Shares and July Warrants statements on Monday November 22, 2021 through the same portal. For additional information, holders of Special Warrants with questions are encouraged to visit the Shareholder Information page of the Company’s website, where additional information as well as answers to “Frequently Asked Questions” is available regarding the automatic deemed exercise of the Special Warrants and the issuance of the underlying Common Shares and July Warrants.

**About Carbon Streaming Corporation**

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The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

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### **Contacts**

#### **ON BEHALF OF THE COMPANY:**

Justin Cochrane, Chief Executive Officer

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NEO Exchange: NETZ  
FSE: M2Q

## NEWS RELEASE

### CARBON STREAMING CLOSES MARVIVO BLUE CARBON CREDIT STREAM AGREEMENT

*World-Class Project Diversifies Portfolio by Adding Blue Carbon Credits*

TORONTO, ONTARIO, November 18, 2021 – Carbon Streaming Corporation (NEO: NETZ) (FSE: M2Q) (“**Carbon Streaming**” or the “**Company**”) is pleased to confirm that it has closed the previously announced blue carbon credit streaming agreement with MarVivo Corporation for the MarVivo Blue Carbon Conservation Project (“**MarVivo Project**”) in Magdalena Bay, Mexico. This marks the third carbon credit stream across three continents, each in various stages of development, and exemplifies the kind of breadth the Company seeks in developing a diversified portfolio of high-quality carbon credits.

#### Transaction Highlights:

- Upfront cash investment of US\$6 million (“**Upfront Deposit**”), with US\$2.0 million initial investment into MarVivo Corporation, paid in cash on closing, followed by four separate US\$1.0 million investments at specific project milestones during development, implementation, validation and verification by Verra.
- Upon payment of the Upfront Deposit, Carbon Streaming will have the right to purchase the greater of 200,000 credits or 20% of the annual verified carbon credits from the MarVivo Project each year.
- In addition to the Upfront Deposit, the Company will make ongoing payments to MarVivo Corporation for each carbon credit sold under the carbon stream.
- The first delivery of carbon credits is expected to occur in the first half of 2023.

“We are thrilled to have closed this investment into the exceptional MarVivo Project, our first of many blue carbon credit projects to come,” explained Carbon Streaming’s CEO Justin Cochrane. “We remain focused on executing our ambitious plans to move extraordinary carbon credit projects from pipeline to portfolio to production, protecting these beautiful marine ecosystems and the surrounding communities that depend upon them while fighting climate change.”

As detailed in the May 17, 2021 news release, the Company intends to invest US\$6 million to implement the proposed MarVivo Project in Baja California Sur, Mexico, focused on the conservation of mangrove forests and their associated marine habitat. The project is anticipated to be one of the largest blue carbon conservation projects in the world and once implemented will reduce estimated emissions by 26 million tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) over 30 years by conserving and sustainably managing approximately 22,000 hectares of mangroves and 137,000 hectares of its marine environment across Baja’s largest mangrove forest.

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More information on the MarVivo Blue Carbon Project can be found on the project's website [here](#).

#### **About the MarVivo Blue Carbon Conservation Project**

The MarVivo Blue Carbon Conservation 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 non-profit group NAKAWE Project and the local communities of San Carlos (population ~5,000) and Lopez Mateos (population ~3,000), are also involved in the project. It is anticipated that the project will be certified through the Verified Carbon Standard (VCS), the Climate, Community & Biodiversity Standard (CCB) and the Sustainable Development Verified Impact Standard (SDVista), all of which are administered by Verra.

#### **About Carbon Streaming Corporation**

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To receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

#### **ON BEHALF OF THE COMPANY:**

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NEO Exchange: NETZ  
FSE: M2Q

## NEWS RELEASE

### CARBON STREAMING COMMENTS ON NEAR-TERM CASH FLOW, CARBON CREDIT SALES, COP26

*Tremendous Demand for Carbon Credits at  
Premium Pricing Signals Strong Future*

TORONTO, ONTARIO, November 16, 2021 - Carbon Streaming Corporation (NEO: NETZ) (FSE: M2Q) (“**Carbon Streaming**” or the “**Company**”) is pleased to comment on the existing carbon streaming investments in our portfolio and the strong demand and surging prices in the voluntary carbon markets for REDD+ (Reducing Emissions from Deforestation and forest Degradation) carbon credits. In addition, the Company would like to congratulate the almost 200 countries that came together for the 26<sup>th</sup> UN Climate Change Conference of the Parties (“**COP26**”) that reinforced a global commitment to adaptation, mitigation, finance mobility and collaboration, all key actions to address climate change.

#### Commercial Highlights

- Carbon Streaming expects to receive up to 7 million Verra registered REDD+ carbon credits in the first half of 2022 (“**1H22**”) from our existing carbon credit streaming investments into the Rimba Raya and Cerrado Biome projects.
- The Company has been experiencing strong demand at premium prices for the credits the Company expects to receive in 1H22.
- REDD+ 2021 vintage carbon credits are currently trading for an average of US\$13.72/credit (as seen on [www.carboncredits.com](http://www.carboncredits.com)). REDD+ credits have approximately doubled in price since Carbon Streaming invested in both Rimba Raya and Cerrado Biome projects.
- REDD+ carbon credit prices are rising in a market that is rapidly expanding. According to Forest Trends’ EcoSystem Marketplace Initiative, transactions of REDD+ credits have grown 280% between September 2020 and September 2021. This year the voluntary carbon credit market has exceeded US\$1 billion as of November 9, 2021.
- Carbon credits with co-benefits such as support for community wellbeing and biodiversity exemplified by our project streams in Rimba Raya and Cerrado Biome command premium market pricing for the carbon credits these projects produce.

#### COP26 Highlights:

- After 6 years, an agreement on Article 6 of the Paris Agreement, the rules governing global trading in offsets, has been reached. This is expected to bring greater transparency, rigor and buyer confidence to the voluntary carbon markets.
  - Over 100 nations agreed to a non-binding pact to end deforestation by 2030.
  - A declaration was signed by 23 parties on International Aviation Climate Ambition seeking to ensure maximum efficacy of CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation).
-

“In conjunction with global talks on climate change at COP26, significant upward momentum in prices and the exponential growth of the voluntary carbon markets, we are seeing incredibly strong interest in our portfolio of high-quality nature-based carbon offsets,” stated Justin Cochrane, Carbon Streaming’s CEO. “It’s important to remind investors that we’re expecting the issuance of up to 7 million REDD+ credits in the first half of 2022 from our current carbon credit streaming investments.”

Mr. Cochrane continued: “With current prices in the US\$13-\$14/credit range for REDD+ carbon credits and the strong upward pricing momentum we are seeing, Carbon Streaming expects the credits delivered under these streams to benefit from increasing price and demand which should, in turn, generate substantial cash flow to the Company and our strategic partners.”

#### **About Carbon Streaming Corporation**

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To receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

#### **ON BEHALF OF THE COMPANY:**

Justin Cochrane, Chief Executive Officer  
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[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

#### **Advisories**

The links to third party websites and sources contained in this new release are provided for informational purposes and are not to be considered statements of the Company.

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NOTICE DECLARING INTENTION  
TO BE QUALIFIED UNDER  
NATIONAL INSTRUMENT 44-101  
*SHORT FORM PROSPECTUS DISTRIBUTIONS*  
("NI 44-101")

Date: November 15, 2021

To: Ontario Securities Commission, as notice regulator

And to: British Columbia Securities Commission  
Alberta Securities Commission Financial and Consumer Affairs  
Authority of Saskatchewan The Manitoba Securities Commission  
Nova Scotia Securities Commission Financial and Consumer  
Services Commission (New Brunswick)  
Office of the Superintendent of Securities (Prince Edward Island)  
Office of the Superintendent of Securities Service Newfoundland and Labrador  
Office of the Superintendent of Securities (Yukon Territory)  
Northwest Territories Securities Office  
Nunavut Securities Office

Carbon Streaming Corporation (the "**Issuer**") intends to be qualified to file a short form prospectus under NI 44-101. The Issuer acknowledges that it must satisfy all applicable qualification criteria prior to filing a preliminary short form prospectus. This notice does not evidence the Issuer's intent to file a short form prospectus, to enter into any particular financing or transaction or to become a reporting issuer in any jurisdiction. This notice will remain in effect until withdrawn by the Issuer.

**CARBON STREAMING CORPORATION**

By: /s/ "Justin Cochrane"  
Name: Justin Cochrane  
Title: CEO and Director

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**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED  
SEPTEMBER 30, 2021 AND 2020**

**(EXPRESSED IN UNITED STATES DOLLARS)  
(UNAUDITED)**

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**CARBON STREAMING CORPORATION**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Expressed in United States Dollars)(Unaudited)**

	As at September 30, 2021	As at June 30, 2021 Restated (Note 2)
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 108,616,364	\$ 108,380,802
Amounts receivable and prepaid	917,889	198,732
Carbon credit inventory (Note 3)	1,770,265	-
<b>Non-Current Assets</b>	111,304,518	108,579,534
Carbon credit streaming investments (Note 4)	24,059,405	500,000
Other strategic assets (Note 5)	35,948,397	-
<b>Total Assets</b>	<b>\$ 171,312,320</b>	<b>\$ 109,079,534</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 1,134,806	\$ 1,037,164
Warrant liability (Note 7)	65,271,655	-
<b>Total Liabilities</b>	<b>66,406,461</b>	<b>1,037,164</b>
<b>Shareholders' Equity</b>		
Share capital (Note 8(b))	83,385,512	51,705,862
Special warrant subscriptions (Note 8(c))	104,502,276	71,511,660
Share-based payment reserve	3,436,475	3,200,033
Deficit	(86,418,404)	(18,375,185)
<b>Total Shareholders' Equity</b>	<b>104,905,859</b>	<b>108,042,370</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 171,312,320</b>	<b>\$ 109,079,534</b>

Nature of operations (Note 1)  
Subsequent event (Note 12)

The accompanying notes are an integral part of these interim financial statements.



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**CARBON STREAMING CORPORATION**  
**Condensed Interim Consolidated Statements of Net and Comprehensive Loss**  
**(Expressed in United States Dollars)(Unaudited)**

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	<b>Three Months Ended September 30,</b>	
		<b>2020</b>
	<b>2021</b>	Restated (Note 2)
<b>Expenses</b>		
Consulting fees (Note 10)	\$ 373,628	\$ 2,017
Unrealized foreign exchange loss	741,443	-
Marketing	246,784	-
Office and general	286,326	1,934
Professional fees	63,935	10,989
Regulatory fees	218,461	6,134
Salaries and fees (Note 10)	579,420	-
Share based compensation (Notes 9 and 10)	236,442	-
<b>Loss before other items</b>	<b>(2,746,439)</b>	<b>(21,074)</b>
<b>Other items</b>		
Revaluation of warrant liability (Note 7)	(40,505,705)	-
<b>Net and Comprehensive Loss for the Period</b>	<b>\$ (43,252,144)</b>	<b>\$ (21,074)</b>
<b>Basic and Diluted Loss per Share</b>	<b>\$ (1.84)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Common Shares Outstanding - Basic and Diluted</b>	<b>23,491,030</b>	2,995,127

The accompanying notes are an integral part of these interim financial statements.

**CARBON STREAMING CORPORATION**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in United States Dollars)(Unaudited)**

	<b>Three Months Ended September 30,</b>	
	<b>2021</b>	<b>2020</b> Restated (Note 2)
<b>Operating Activities</b>		
Net loss for the period	\$ (43,252,144)	\$ (21,074)
Items not affecting cash		
Unrealized foreign exchange loss	755,244	-
Share based compensation	236,442	-
Revaluation of warrant liability	40,505,705	-
Changes in non-cash working capital items		
Amounts receivable and prepaid	(719,157)	-
Accounts payable and accrued liabilities	97,642	7,741
<b>Net Cash Used in Operating Activities</b>	<b>(2,376,268)</b>	<b>(13,333)</b>
<b>Investing Activities</b>		
Carbon credit streaming investments	(23,559,405)	-
Purchase of carbon credits	(1,770,265)	-
Purchase of other strategic assets	(4,400,750)	-
<b>Net Cash Used in Investing Activities</b>	<b>(29,730,420)</b>	<b>-</b>
<b>Financing Activities</b>		
Common shares issued on exercise of warrants (Note 8(b))	106,878	-
Subscription receipts	-	40,341
Special warrants subscriptions (Note 8(c))	32,990,616	-
<b>Net Cash Provided by Financing Activities</b>	<b>33,097,494</b>	<b>40,341</b>
<b>Effect of foreign exchange on cash</b>	<b>(755,244)</b>	<b>-</b>
<b>Net change in Cash</b>	<b>990,806</b>	<b>27,008</b>
<b>Cash, Beginning of Period</b>	<b>108,380,802</b>	<b>250,284</b>
<b>Cash, End of Period</b>	<b>\$ 108,616,364</b>	<b>\$ 277,292</b>
<b>Supplemental Information</b>		
Income taxes paid	\$ -	\$ -
Interest paid (received)	\$ -	\$ -
Common shares issued for other strategic assets	\$ 31,547,647	\$ -

The accompanying notes are an integral part of these interim financial statements.

**CARBON STREAMING CORPORATION**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**  
**(Expressed in United States Dollars)(Unaudited)**

	Share Capital		Special warrant	Share- based payment		
	Number	Amount	subscriptions	reserve	Deficit	Total
<b>Balance, June 30, 2020</b> (Restated Note 2)	<b>2,995,127</b>	<b>\$11,740,783</b>	<b>\$ -</b>	<b>\$1,521,210</b>	<b>\$(13,115,696)</b>	<b>\$ 146,297</b>
Net loss for the period	-	-	-	-	(21,074)	(21,074)
<b>Balance, September 30, 2020</b> (Restated Note 2)	<b>2,995,127</b>	<b>\$11,740,783</b>	<b>\$ -</b>	<b>\$1,521,210</b>	<b>\$(13,136,770)</b>	<b>\$ 125,223</b>
<b>Balance, June 30, 2021</b> (Restated Note 2)	<b>20,672,831</b>	<b>\$51,705,862</b>	<b>\$ 71,511,660</b>	<b>\$3,200,033</b>	<b>\$(18,375,185)</b>	<b>\$108,042,370</b>
Receipts for special warrants (Note 8 (c))	-	-	33,389,596	-	-	33,389,596
Share issuance costs	-	-	(398,980)	-	-	(398,980)
Shares issued for other strategic assets (Note 5)	4,539,180	31,547,647	-	-	-	31,547,647
Shares issued on exercise of warrants (Note 8(b)(i))	18,000	132,003	-	-	-	132,003
Share based compensation (Note 9)	-	-	-	236,442	-	236,442
Reclassification of warrant liability	-	-	-	-	(24,791,075)	(24,791,075)
Net loss for the period	-	-	-	-	(43,252,144)	(43,252,144)
<b>Balance, September 30, 2021</b>	<b>25,230,011</b>	<b>\$83,385,512</b>	<b>\$ 104,502,276</b>	<b>\$3,436,475</b>	<b>\$(86,418,404)</b>	<b>\$104,905,859</b>

All shares have been adjusted to reflect a share consolidation on a basis of five pre-consolidation common shares for one post-consolidation common share.

The accompanying notes are an integral part of these interim consolidated financial statements.

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three Months Ended September 30, 2021 and 2020**  
**(Expressed in United States Dollars)(Unaudited)**

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**1. Nature of operations**

Carbon Streaming Corporation (the “Company” or “Carbon Streaming”) was incorporated on September 13, 2004 under the *Business Corporations Act* (British Columbia) and is a streaming and royalty investment vehicle that offers investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed.

The Company’s common shares are listed on the Neo Exchange Inc. (“NEO Exchange”) under the symbol “NETZ” and the warrants that expire in March 2026 are listed on the NEO Exchange under the symbol “NETZ.WT”. The Company’s common shares are also listed on the Frankfurt Stock Exchange under the symbol “M2QA” and trade on the OTC Markets under the symbol “OFSTF”.

The head office and principal address of the Company are located at 4 King Street West, Toronto, Ontario, Canada, M5H 1B6. The Company’s registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

On October 22, 2021, the Company completed a share consolidation of its share capital on a basis of five pre-consolidation common shares for one post-consolidation common share. All common shares, per common share amounts, special warrants, warrants, stock options and restricted share units in these Interim Financial Statements (as defined herein) have been retroactively restated to reflect the share consolidation.

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These Interim Financial Statements of the Company for the three months ended September 30, 2021 were approved and authorized for issue by the Audit Committee of the Board of Directors on November 10, 2021.

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three Months Ended September 30, 2021 and 2020**  
**(Expressed in United States Dollars)(Unaudited)**

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**2. Statement of compliance and basis of presentation**

*Statement of compliance*

These condensed interim consolidated financial statements (the “Interim Financial Statements”) have been prepared on a condensed basis in accordance with International Accounting Standard 34 - Interim Financial Reporting issued by IAS Board and interpretations of the International Financial Reporting Interpretations Committee using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and includes the accounts of the Company and its subsidiary.

The same significant accounting policies and methods of computation were followed in the preparation of these Interim Financial Statements as were followed in the preparation and described in note 3 of the annual consolidated financial statements as at and for the year ended June 30, 2021, except for new accounting policies noted below. Accordingly, these Interim Financial Statements for the three months ended September 30, 2021 should be read together with the annual consolidated financial statements as at and for the year ended June 30, 2021.

Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these Interim Financial Statements are presented below.

*Change in functional and presentation currency*

On July 19, 2021, the Company closed a non-brokered private placement of 20,980,251 Special Warrants at a price of US\$5.00 per Special Warrant for aggregate gross proceeds to the Company of US\$104.9 million. Considering the significance of the private placement to the Company’s operations and that the Company expects to continue to raise capital in US\$ as well as the fact that carbon credit streaming agreements are primarily based in US\$, the Company determined that the currency of the primary economic environment in which the Company operates changed from the Canadian dollar (“C\$”) to the United States dollar (“US\$”) effective July 1, 2021.

The Company operates in a mixture of currencies and therefore the determination of functional currency involves certain judgments to determine the primary economic environment in which the Company operates. The Company also reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment.

Concurrent with the change in functional currency, the Company also changed its presentation currency from C\$ to US\$.

The change in functional currency from C\$ to US\$ is accounted for prospectively from July 1, 2021. Prior period comparable information has been restated to reflect the change in presentation currency. The Company elected to apply the exchange rate at June 30, 2021 of US\$1 equal to C\$1.2394 to translate all prior period comparable information to reflect the change in presentation currency as at June 30, 2021 and for the three months ended September 30, 2020. Foreign currency transactions are translated into the functional currency using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at fair value through profit and loss. Gains and losses arising from foreign exchange are included in profit and loss.

*Basis of presentation*

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three Months Ended September 30, 2021 and 2020**  
**(Expressed in United States Dollars)(Unaudited)**

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**2. Statement of compliance and basis of presentation (continued)**

Basis of consolidation

These Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiary, 1253661 B.C. Ltd., which was acquired on June 17, 2020 in conjunction with a three-cornered amalgamation (the “Transaction”).

The three-cornered amalgamation was executed between a then existing subsidiary of the Company, 1247374 B.C. Ltd. (“Subco”), and a third company 1247372 B.C. Ltd (“Fundco”). At the time of the Transaction, neither Subco nor Fundco met the definition of a business under IFRS 3, *Business Combinations*. Prior to the Transaction, Fundco had advanced loans to the Company. The Transaction was recognized as a transaction with owners whereby the Company received cash of C\$714,000 and issued 2,856,000 common shares to the former shareholders of Fundco. Subco and Fundco amalgamated as part of the Transaction and continued as 1253661 B.C. Ltd.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Carbon credit inventory

Carbon credit inventory is initially recorded at cost, on the date that significant risks and rewards of ownership of the carbon credit pass to the Company. Cost comprises all costs of purchase, including the purchase price, and other costs directly attributable to the purchase. Subsequent to initial recognition carbon credits classified as inventory are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Carbon credit streaming investments

Carbon credit streaming investments with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Cost includes the purchase price, and costs that are directly attributable to the acquisition and preparing the investment for its intended use. Amortization is recognized on a credits-received basis. The estimated credits to be received and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Investments are assessed for impairment whenever there is an indication that the investment may be impaired. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the investment are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Significant accounting judgments and estimates

The preparation of these Interim Financial Statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the periods of change, if the change affects that period only, or in the period of the change of future periods, if the change affects both.

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**CARBON STREAMING CORPORATION**  
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**2. Statement of compliance and basis of presentation (continued)**

The preparation of these Interim Financial Statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in these Interim Financial Statements include:

*Accounting for carbon credit streaming investments*

The Company from time to time will acquire carbon credit streaming investments. Each carbon credit streaming investments agreement has its own unique terms and significant judgment is required to assess the appropriate accounting treatment.

*Share based compensation*

The Company includes an estimate of share price volatility, expected life, forfeiture rate and risk-free interest rates in the calculation of the fair value for share based payments. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact earnings.

*Warrant liability*

The fair value of the warrant liability is measured using the Black-Scholes pricing model. Assumptions and estimates are made in determining an appropriate risk-free interest rate, volatility, term, dividend yield, discount due to exercise restrictions, and the fair value of common stock. Any significant adjustments to the unobservable inputs would have a direct impact on the fair value of the warrant liability. See Note 7.

*Deferred taxes*

The Company recognizes the deferred tax benefit related to tax assets and tax losses to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit and expected timing of reversals of existing temporary differences. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from tax assets and tax losses.

Accounting standards, amendments and interpretations issued

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on these Interim Financial Statements.

**3. Carbon credit inventory**

During the three months ended September 30, 2021, the Company acquired Rimba Raya project verified carbon units (“VCUs”) carbon credits that are issued by Verra, an international institution based in Washington D.C. that manages carbon credit standards. The VCUs were acquired at a cost of \$1,770,265, and are currently held for sale.

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**CARBON STREAMING CORPORATION**  
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**4. Carbon credit streaming investments**

As at and for the three months ended September 30, 2021:

	<u>Cost</u>			<u>Accumulated Depletion</u>			<u>Carrying Amount</u>
	<u>Opening</u>	<u>Additions</u>	<u>Ending</u>	<u>Opening</u>	<u>Depletion</u>	<u>Ending</u>	
Rimba Raya Stream (i)	\$ -	\$23,299,130	\$23,299,130	\$ -	\$ -	\$ -	\$23,299,130
Other (ii)(iii)	500,000	260,275	760,275	-	-	-	760,275
<b>Total</b>	<b>\$500,000</b>	<b>\$23,559,405</b>	<b>\$24,059,405</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$24,059,405</b>

(i) On August 3, 2021, the Company entered into the Rimba Raya Stream, a carbon credit streaming agreement with InfiniteEARTH Limited (“InfiniteEARTH”), the developer of the REDD+ project (Reducing Emissions from Deforestation and forest Degradation), the Rimba Raya Biodiversity Reserve. Under the terms of the Rimba Raya Stream, InfiniteEARTH will deliver 100% of the carbon credits generated by the Rimba Raya project, expected to be over 70 million credits over the next 20 years, less up to 635,000 carbon credits per annum which are already committed to previous buyers. To acquire the Rimba Raya Stream, Carbon Streaming paid an upfront cash investment of \$22.3 million. In addition, the Company will make ongoing payments to InfiniteEARTH for each carbon credit that is sold under the Rimba Raya Stream.

(ii) On June 3, 2021, the Company announced that it entered into an exclusive term sheet with the Bonobo Conservation Initiative (“BCI”) to provide initial funding for BCI to develop two carbon credit projects within the Bonobo Peace Forest located in the Democratic Republic of Congo. As at September 30, 2021, the Company has advanced \$500,000 to BCI to develop its feasibility study. The specific terms of definitive streaming agreements will be determined once the initial feasibility study work for the carbon credit projects has been completed.

(iii) On September 13, 2021, the Company announced that it had entered into the Cerrado Biome Stream with Ecosystem Regeneration Associates – ERA Brazil (“ERA”). Under the Cerrado Biome Stream the Company agreed to invest \$500,000 to implement and scale up the Cerrado Biome project, which is aimed at protecting native forests and grasslands in the Cerrado biome, one of the most biodiverse savannah regions in the world. To date the Company paid \$260,275 to ERA on closing of the stream, with subsequent instalments to be paid at specific project milestones. In addition, the Company will make ongoing payments to ERA for each carbon credit that is sold under the carbon stream. Verification of the project is underway with Verra, through the VCS Standard, under a grouped project model and is anticipated to be completed in early 2022, with credit sales beginning in 2022.

**5. Other strategic assets**

Included in other strategic assets, and in conjunction with the Rimba Raya Stream, the Company and the founders of InfiniteEARTH (“Founders”) also entered into a strategic alliance agreement (the “SAA”). Carbon Streaming issued 4,539,180 common shares of the Company (valued at \$31,547,647) and paid \$4 million to the Founders as consideration for entering 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 investment opportunities. In addition, the SAA provides Carbon Streaming with a right of first refusal on any carbon streaming or royalty financing transaction for projects that are planned in the future, which includes a portfolio of blue carbon credit projects throughout the Americas. The SAA has been recorded as a long-term prepaid asset and will be amortized over 10 years, which is the natural term of the SAA.



**CARBON STREAMING CORPORATION**  
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**6. Accounts payable and accrued liabilities**

	As at September 30, 2021	As at June 30, 2021
Accounts payable	\$ 815,972	\$ 842,818
Accrued liabilities	195,617	157,832
Due to related parties	123,217	36,514
	<u>\$ 1,134,806</u>	<u>\$ 1,037,164</u>

**7. Warrant liability**

Under IFRS, warrants with an exercise price denominated in a foreign currency are considered financial derivative instruments and the prescribed accounting treatment is to classify these warrants as a current liability measured at fair value upon initial recognition. At each subsequent reporting date, the warrants are re-measured at fair value and the change in fair value is recognized through profit or loss. Upon warrant exercise, the fair value previously recognized in warrant liability is transferred from warrant liability to share capital.

As a result of the change in functional currency from C\$ to US\$, the following table summarizes the changes in the warrant liability for the Company's C\$ denominated warrants for the periods ending September 30, 2021 and June 30, 2021:

	Number of warrants	Amount
<b>Balance, June 30, 2021</b>	<b>12,794,520</b>	<b>\$ -</b>
Fair value recognized on change in functional currency	-	24,791,075
Warrants exercised	(18,000)	(25,125)
Revaluation of warrant liability	-	40,505,705
<b>Balance, September 30, 2021</b>	<b>12,776,520</b>	<b>\$ 65,271,655</b>

The following weighted average assumptions were used in the Black-Scholes valuation model for determining the fair value of the warrants outstanding:

	As at September 30, 2021	As at July 1, 2021 (transition date)
Spot price (in C\$)	\$ 2.28	\$ 1.24
Risk-free interest	0.52%	0.44%
Expected volatility	40%	40%
Expected life (years)	4.37	4.62
Dividend	nil	nil

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**7. Warrant liability (continued)**

The following table reflects the Company's warrants outstanding and exercisable as at September 30, 2021:

<b>Expiry date</b>	<b>Warrants outstanding and exercisable</b>	<b>Weighted average exercise price (C\$)</b>
April 22, 2025	312,000	0.625
December 16, 2025	152,000	0.625
December 22, 2025	674,000	0.625
January 27, 2026	2,930,000	3.75
March 2, 2026	8,708,520	7.50
	<u>12,776,520</u>	<u>6.03</u>

**8. Share capital**

On October 22, 2021, the Company completed a share consolidation of its share capital on a basis of five pre-consolidation common shares for one post-consolidation common share. All common shares, per common share amounts, special warrants, warrants, stock options and restricted share units in these Interim Financial Statements have been retroactively restated to reflect the share consolidation.

a) Authorized share capital

Unlimited number of voting common shares without par value and unlimited number of preferred shares without par value.

b) Issued share capital

As at September 30, 2021, there were 25,230,011 issued and fully paid common shares (June 30, 2021 – 20,672,831). (i) During the three months ended September 30, 2021, the Company issued 18,000 common shares for the exercise of warrants for gross proceeds of \$106,878 and \$25,125 being the fair value of the warrants was transferred to share capital. The weighted average market price at the date of exercise was \$9.60.

c) Special Warrants

On July 19, 2021, the Company completed a non-brokered private placement of 20,980,250 Special Warrants at a price of \$5.00 per Special Warrant for aggregate gross proceeds to the Company of \$104.9 million. Each Special Warrant will be automatically exercised for one common share of the Company and one full common share purchase warrant with a term of 62 months at an exercise price of \$7.50 per warrant on the earliest of (a) the third business day after the date that a receipt is issued for a final prospectus by Canadian securities regulatory authorities qualifying the common shares and warrants to be issued upon the exercise of the Special Warrants and (b) November 20, 2021.

**CARBON STREAMING CORPORATION**  
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**9. Stock options and restricted share units**

(a) Stock options

The Company approved a long-term incentive plan on March 25, 2021, which was approved by shareholders on June 29, 2021 (the “LTIP”) at the annual and special general meeting of shareholders. The Company has adopted the LTIP as a means to provide incentives to eligible directors, officers, employees and consultants. The LTIP will facilitate granting of stock options, restricted share units (“RSUs”) and performance share units (“PSUs”), representing the right to receive one common share of the Company (and in the case of RSUs or PSUs, one common share of the Company, the cash equivalent of one common share of the Company, or a combination thereof) in accordance with the terms of the LTIP.

The maximum aggregate number of common shares reserved for issuance under the LTIP shall not exceed a combined total of 10% of the Company’s issued and outstanding common shares.

The following table reflects the continuity of stock options for the periods ended September 30, 2021 and 2020:

	<b>Number of stock options</b>	<b>Weighted average exercise price (C\$)</b>
<b>Balance, June 30, 2020 and September 30, 2020</b>	-	-
<b>Balance, June 30, 2021 and September 30, 2021</b>	<b>640,000</b>	<b>3.85</b>

The following table reflects the Company’s stock options outstanding and exercisable as at September 30, 2021:

<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Grant date fair value (\$)</b>	<b>Weighted average exercise price (C\$)</b>	<b>Weighted average remaining contractual life (years)</b>	<b>Expiry date</b>
590,000	590,000	1,325,762	3.75	4.50	March 31, 2026
50,000	50,000	149,669	5.00	4.69	June 7, 2026
<b>640,000</b>	<b>640,000</b>	<b>1,475,431</b>	<b>3.85</b>	<b>4.52</b>	

(b) Restricted share units

The following table reflects the continuity of RSUs for the periods ended September 30, 2021 and 2020:

	<b>Number of RSUs</b>
<b>Balance, June 30, 2020 and September 30, 2020</b>	-
<b>Balance, June 30, 2021 and September 30, 2021</b>	<b>500,000</b>

For the three months ended September 30, 2021, the Company recorded share based compensation expense for these RSU’s of \$236,442 (three months ended September 30, 2020 - \$nil).

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**CARBON STREAMING CORPORATION**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**(Expressed in United States Dollars)(Unaudited)**

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**10. Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

Remuneration of key management personnel of the Company was as follows:

	<b>Three Months Ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
Salaries and fees <sup>(1)(2)</sup>	\$ <b>408,157</b>	\$ -
Consulting fees <sup>(1)</sup>	<b>17,000</b>	2,017
Share based compensation	<b>172,784</b>	-
	<u><b>\$ 597,941</b></u>	<u><b>\$ 2,017</b></u>

<sup>(1)</sup> Salaries and fees paid to the executive officers and directors for their services.

<sup>(2)</sup> Included in accounts payable and accrued liabilities are fees owing to officers and directors of \$123,217 as at September 30, 2021 (June 30, 2021 - \$36,514).

**11. Financial instrument fair value and risks factors**

***Fair value***

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash, investment, accounts payable and accrued liabilities and warrant liability. The carrying value of accounts payable and accrued liabilities approximates their fair value due to their short-term nature. Cash is measured at fair value based on Level 1 of the fair value hierarchy. Other investment and warrant liability are measured at fair value based on Level 3 of the fair value hierarchy.

## **11. Financial instrument fair value and risks factors (continued)**

### ***Risk factors***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### ***Credit Risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is mainly held in credit worthy financial institutions. Credit risk has been assessed as low.

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

Foreign currency risk is the risk that the fair value of financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in Canadian dollars while its functional currency is the United States dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's held cash of \$26,698,545 in Canadian dollars and \$81,917,819 in United States dollars. The Company had accounts payable of \$634,710 in Canadian dollars. As the Company has a number of transactions in foreign currencies, currency risk has been assessed as moderate.

Assuming all other variables remain constant, a 5% weakening or strengthening of the US dollar against the Canadian dollar would result in a change of approximately \$1,231,000 to profit and loss.

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank account was subject to the movements in interest rates. The Company has no interest-bearing debt. Therefore, interest rate risk has been assessed as nominal.

#### ***Liquidity Risk***

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions, liquidity risk has been assessed as low.

## **12. Subsequent event**

Subsequent to September 30, 2021, the Company granted 110,000 stock options to an officer and employee of the Company. These stock options are exercisable at a weighted average exercise price of C\$11.15 with an expiry five years from the date of grant. In addition, the Company granted 130,000 RSUs to the aforementioned officer and employee which at the Board's discretion can be settled in cash, equity or a combination thereof and vest as follows: 43,333 on each of the first, second and third anniversaries of the date of grant.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

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## Introduction

This management's discussion and analysis ("**MD&A**") reviews the significant activities of Carbon Streaming Corporation ("**Carbon Streaming**" or the "**Company**") and analyzes the financial results for the three months ended September 30, 2021. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended September 30, 2021 and 2020 of the Company with the related notes thereto (the "**Interim Financial Statements**"), and the Company's audited annual consolidated financial statements for the year ended June 30, 2021 and the related notes thereto, which are available for viewing on [www.sedar.com](http://www.sedar.com). As a result of the Company's refocused business model, which focuses on acquiring, managing, and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits, comparisons to historical quarters prior to June 30, 2020, may not be useful to readers.

All financial information in this document is prepared in accordance with International Financial Reporting Standards ("**IFRS**") and presented in United States dollars unless otherwise indicated.

On October 22, 2021, the Company completed a share consolidation of its share capital on a basis of five pre-consolidation Common Shares for one post-consolidation Common Share. All common shares, per common share amounts, special warrants, warrants, stock options and restricted share units in this MD&A have been retroactively restated to reflect the share consolidation.

The effective date of this MD&A is November 10, 2021.

Management is responsible for the preparation and integrity of the Company's unaudited interim consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's financial statements and MD&A, is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Although such information is considered to be accurate, actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

## Description of Business

Carbon Streaming is a unique environmental, social and governance (ESG) principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

The Company's common shares ("**Common Shares**") are listed on the Neo Exchange Inc. ("**NEO Exchange**") under the symbol "NETZ" and the warrants that expire in March 2026 (the "**March 2026 Warrants**") are listed on the NEO Exchange under the symbol "NETZ.WT". The Company's Common Shares are also listed on the Frankfurt Stock Exchange under the symbol "M2QA" and trade on the OTC Markets under the symbol "OFSTF".

### **Acquisition Growth Strategy**

Carbon Streaming believes there is significant potential for stream-based financing in the carbon markets. There are currently over 4,700 carbon offset projects listed in the four largest voluntary carbon credit registries, which is anticipated to significantly scale-up in response to rapidly increasing demand for voluntary carbon credits. Carbon Streaming is positioning itself to not only be able to provide funding to developers or project owners looking to innovatively finance new carbon offset projects or monetize some or all of their existing or future carbon credits today, but also to be able to market high quality carbon credits to buyers that require them to meet their regulated requirements or voluntary goals as they seek to offset their carbon footprint.

### **Our Outlook**

The Company's strategy for the next 12 months is to continue to deploy the capital it has raised in the capital markets by (i) entering into carbon credit streaming agreements with projects that generate high- quality carbon credits that have strong ESG principles and generate an attractive economic return; or (ii) making investments in entities or technologies that advance the transition to a net-zero economy. The amount of capital that can be deployed and the corresponding carbon credits that can be generated will, in part, depend on many factors that cannot be controlled by the Company, including the continuing impact of COVID-19.

For a comprehensive discussion of the risks, assumptions and uncertainties that could impact the Company's outlook, investors are urged to review the section of the Company's Annual Information Form ("AIF") entitled "Risk Factors" a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Corporate Highlights**

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.

### **Financings**

On July 19, 2021, the Company completed a non-brokered private placement of 20,980,250 special warrants of the Company ("**Special Warrants**") at a price of \$5.00 per Special Warrant for aggregate gross proceeds to the Company of \$104.9 million. Each Special Warrant will be automatically exercised for one Common Share of the Company and one full Common Share purchase warrant with a term of 62 months at an exercise price of \$7.50 per warrant on the earliest of (a) the third business day after the date that a receipt is issued for a final prospectus by Canadian securities regulatory authorities qualifying the Common Shares and warrants to be issued upon the exercise of the Special Warrants and (b) November 20, 2021.

On August 25, 2021, the Company filed a preliminary non-offering prospectus to qualify distribution and trading of the Special Warrants.

### **Change in Functional and Presentation Currency**

Considering the significance of the July 19, 2021 private placement to the Company's operations, that the Company will continue to raise capital in US\$, and that carbon credit streaming agreements are primarily based in US\$, the Company determined that the currency of the primary economic environment in which the Company operates changed from the Canadian dollar ("C\$") to the United States dollar (" \$" or "US\$") on July 19, 2021.



The Company operates in a mixture of currencies and therefore the determination of functional currency involves certain judgments to determine the primary economic environment in which the Company operates. The Company also reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment.

Concurrent with the change in functional currency, the Company also changed its presentation currency from C\$ to US\$. Unless otherwise indicated, all references to “\$” or “US\$” in this MD&A refer to US\$.

The change in functional currency from C\$ to US\$ is accounted for prospectively from July 1, 2021. Prior period comparable information has been restated to reflect the change in presentation currency. The Company elected to apply the exchange rate at June 30, 2021 of US\$1 equal to C\$1.2394 to translate all prior period comparable information to reflect the change in presentation currency as at June 30, 2021 and for the three months ended September 30, 2020. Foreign currency transactions are translated into the functional currency using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at fair value through profit and loss. Gains and losses arising from foreign exchange are included in profit and loss.

### **Company’s Carbon Credit Portfolio**

#### *MarVivo Stream*

On May 17, 2021, the Company announced its first carbon credit streaming investment. The Company agreed to invest \$6.0 million pursuant to a purchase and sale agreement (the “**MarVivo Stream**”) to implement the proposed MarVivo Blue Carbon Conservation Project (“**MarVivo**”) in Magdalena Bay in Baja California Sur, Mexico which is focused on the conservation of mangrove forests and their associated marine habitat. The MarVivo Stream is to 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 date of the first delivery of carbon credits, which is expected to occur in the first half of 2023. To acquire the MarVivo Stream, Carbon Streaming agreed to pay MarVivo Corporation an upfront payment of \$6.0 million, which is expected to fully fund the initial project development costs. \$2.0 million in cash will be paid upon closing, and the balance will be paid in four installments upon specific milestones being met during project development, with the final milestone payment being made upon verification of the project by an accepted verification standards body. The Company expects the MarVivo transaction to close and fund in Q4 2021.

Osisko Gold Royalties Ltd (“**Osisko**”) has provided notice to the Company that it intends to exercise its Stream Participation Right (as defined herein) in respect of the MarVivo Stream transaction.

#### *BCI Term Sheet*

On June 3, 2021, the Company announced it entered into an exclusive term sheet with the Bonobo Conservation Initiative (“**BCI**”) to provide initial funding of \$500,000 for BCI to develop two carbon credit projects within the Bonobo Peace Forest (“**BPF**”) located in the Democratic Republic of Congo. The two projects account for over 67% of the total 5,258,700 hectares (ha) area within the BPF and offer a combined potential to avoid and remove hundreds of millions of tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) over the 30-year span of the agreement. The Company expects the projects to be developed over the next 24-36 months.

### *Rimba Raya Stream*

On August 3, 2021, the Company announced that it entered into a carbon credit streaming agreement with Infinite-EARTH Limited (“**InfiniteEARTH**”), the developer of the REDD+ project (Reducing Emissions from Deforestation and forest Degradation), the Rimba Raya Biodiversity Reserve project (the “**Rimba Raya Stream**”). Under the Rimba Raya Stream, InfiniteEARTH will deliver 100% of the carbon credits created by the Rimba Raya project, expected to be 70 million credits over the next 20 years, less up to 635,000 carbon credits per annum which are already committed to previous buyers. To acquire the Rimba Raya Stream, Carbon Streaming paid an upfront cash investment of \$22.3 million. In addition, the Company will make ongoing payments to InfiniteEARTH for each carbon credit that is sold under the Rimba Raya stream.

In conjunction with the Rimba Raya Stream, the Company and the founders of InfiniteEARTH (“**Founders**”) also entered into a strategic alliance agreement (the “**SAA**”). Carbon Streaming issued 4,539,180 Common Shares (valued at \$31,547,647) of the Company and paid \$4 million to the Founders as consideration for entering into 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 investment opportunities. In addition, the SAA provides Carbon Streaming with a right of first refusal on any carbon streaming or royalty financing transaction for projects that are planned in the future, which includes a portfolio of blue carbon credit projects throughout the Americas.

Osisko has provided notice to the Company that it intends to exercise its Stream Participation Right in respect of the Rimba Raya Stream transaction and SAA.

### *Cerrado Biome Stream*

On September 13, 2021, the Company announced that it had entered into the Cerrado Biome Stream with Ecosystem Regeneration Associates - ERA Brazil (“**ERA**”). Under the Cerrado Biome Stream the Company agreed to invest \$0.5 million to implement and scale up the Cerrado Biome project, which is aimed at protecting native forests and grasslands in the Cerrado biome, one of the most biodiverse savannah regions in the world. To date the Company has paid \$0.26 million to ERA on closing of the stream, with subsequent instalments to be paid at specific project milestones. In addition, the Company will make ongoing payments to ERA for each carbon credit that is sold under the carbon stream. Verification of the project is underway with Verra, through the VCS Standard, under a grouped project model and is anticipated to be completed in early 2022, with credit sales beginning in 2022.

### **Strategic Partnerships**

#### *Osisko Investors Rights Agreement*

On February 18, 2021, Osisko and the Company entered into a strategic partnership through an investor rights agreement (the “**Investor Rights Agreement**”). Under the Investor Rights Agreement, the Company has granted to Osisko certain equity financing rights to participate in future offerings of any new securities by the Company. In addition, Osisko also has 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**”).

WilsonZinter Enterprises Ltd.

On June 7, 2021, the Company announced it formed a strategic partnership with WilsonZinter Enterprises Ltd. (“WZ”), a First Nations business in British Columbia, to source and finance investment opportunities in collaboration with British Columbia First Nations and develop projects within their territories to combat climate change through the reduction of greenhouse gas 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.

Share Based Compensation

Subsequent to September 30, 2021, the Company granted 110,000 stock options to individuals who are an officer and an employee of the Company. These stock options are exercisable at a weighted average exercise price of C\$11.15 with an expiry five years from the date of grant. In addition, the Company granted 130,000 restricted share units (“RSUs”) to the aforementioned officer and employee which at the Board’s discretion can be settled in cash, equity or a combination thereof and vest as follows: 43,333 on each of the first, second and third anniversaries of the date of grant.

Summary of Quarterly Results

As a result of the Company’s refocused business model on acquiring, managing, and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits, comparisons to historical quarters prior to June 30, 2020, may not be useful to readers. The following is a summary of certain financial information for each of the eight most recently completed quarters:

Three Months Ended	Revenue (\$)	Income or (Loss)			Total assets (\$)
		Total (\$)	Basic and diluted income (loss) per share (\$)		
September 30, 2021	nil	(43,252,144)	(1.84)		171,312,320
June 30,2021	nil	(2,277,115)	(0.20)		109,079,534
March 31, 2021	nil	(1,876,275)	(0.20)		28,748,186
December 31, 2020	nil	(435,516)	(0.16)		1,039,033
September 30, 2020	nil	(21,074)	(0.01)		279,660
June 30, 2020	nil	(9,200)	(0.00)		252,651
March 31, 2020	nil	(67,531)	(0.48)		nil
December 31, 2019	nil	(3,235)	(0.04)		nil

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Results of Operations

For the three months ended September 30, 2021, compared to the three months ended September 30,2020

The Company incurred a loss of \$43.3 million during the three months ended September 30, 2021, compared to a loss of less than \$0.1 million for the three months ended September 30, 2020. The results for the three months ended September 30, 2021, were primarily due to the following items:

- During the three months ended September 30, 2021, the Company recorded a change in warrant liability of \$40.5 million representing the movement in Black-Scholes value of the warrants from July 1, 2021 to September 30, 2021.
- During the three months ended September 30, 2021, the Company recorded an increase of \$0.6 million in salaries and fees over the comparative period in 2020. This represents the salaries and fees of the new management and directors tasked with refocusing the Company’s business.
- The Company incurred \$0.4 million of consulting fees for the three months ended September 30, 2021, compared to \$nil for the three months ended September 30, 2020. The increase is in line with the Company’s refocused business model.
- During the three months ended September 30, 2021, the Company recorded foreign exchange loss of \$0.7 million which resulted from the Company’s C\$ transactions during this period in which the US\$ appreciated.

Liquidity and Cash Flow

As of September 30, 2021, the Company had a working capital of \$44.9 million, which includes cash and cash equivalents of \$108.6 million. The largest short-term liability relates to a warrant liability (see Note 7 of the Interim Financial Statements) which is not a cash amount owing. The warrant liability represents an estimate of the Black-Scholes value of issued share purchase warrants, previously issued and exercisable in C\$, relative to the book value of the share capital.

Given this, the Company prefers to use adjusted working capital. Adjusted working capital is calculated as current assets less current liabilities and adjusted for non-cash settled items which are included in the working capital calculation. Adjusted working capital is used by the Company to monitor its capital structure, liquidity, and its ability to fund current operations. Adjusted working capital is not a standardized financial measure under IFRS and therefore may not be comparable to similar financial measures presented by other companies. Please see advisory “Non-IFRS Measures” on page 12 for more details.

The following table reconciles current assets and liabilities to adjusted working capital:

	As at	
	September 30, 2021	June 30, 2021
Current assets	\$ 111.3 million	\$ 108.6 million
Current liabilities	\$ 66.4 million	\$ 1.0 million
Working capital	\$ 44.9 million	\$ 107.6 million
Adjustment for non-cash settled items:		
Warrant liability	\$ 65.3 million	\$ nil
Adjusted working capital	\$ 110.2 million	\$ 107.6 million

The Company’s ability to meet its obligations and execute its business strategy depends on its ability to generate cash flow from the delivery and sale of carbon credits, as well as through the issuance of its securities, the exercise of stock options and warrants and short-term or long-term loans.

There is no assurance that the Company will be able to access debt, equity or alternative funding at the times and in the amounts required to meet the Company’s obligations and fund activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company’s ability to raise additional funding going forward.

**Cash Flows**

*Operating Activities*

Cash used in operating activities was \$2.4 million for the three months ended September 30, 2021, which resulted from operating expenses during the normal course of business, an increase in accounts payable and amounts receivable and prepaid.

*Investing Activities*

Cash used in investing activities was \$29.7 million for the three months ended September 30, 2021, related primarily to the investments in carbon credit streaming contracts. See “*Company Highlights - Company’s Carbon Credit Portfolio*”.

*Financing Activities*

Cash provided by financing activities was \$33.1 million for the three months ended September 30, 2021, related to proceeds from the issuance of the Special Warrants. See “*Company Highlights - Financings*”

**Related party transactions**

*Related party balances*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company’s executive officers and members of the Board of Directors.

Remuneration of key management personnel of the Company was as follows:

	Three Months Ended	
	September 30, 2021	September 30, 2020
Salaries and fees <sup>(1)(2)</sup>	\$ 408,157	\$nil
Consulting fees <sup>(1)</sup>	\$ 17,000	\$ 2,017
Share based compensation	\$ 172,784	\$nil
	\$ 597,941	\$ 2,017

<sup>1</sup> Salaries and fees paid to the executive officers and directors for their services.

<sup>2</sup> Included in accounts payable and accrued liabilities are fees owing to officers and directors of \$0.1 million as at September 30, 2021 (June 30, 2021 - less than \$0.1 million).

**Subsequent Events**

Subsequent to September 30, 2021, the Company granted 110,000 stock options to an officer and employee of the Company. These stock options are exercisable at a weighted average exercise price of C\$11.15 with an expiry five years from the date of grant. In addition, the Company granted 130,000 RSUs to the aforementioned officer and employee which at the Board's discretion can be settled in cash, equity or a combination thereof and vest as follows: 43,333 on each of the first, second and third anniversaries of the date of grant.

On October 22, 2021, the Company completed a share consolidation of its share capital on a basis of five pre-consolidation Common Shares for one post-consolidation Common Share. All amounts of Common Shares, per Common Share amounts, Special Warrants, warrants, stock options and RSUs in this MD&A and the Company's corresponding Interim Financial Statements have been retroactively restated to reflect the share consolidation.

**Share Capital**

As at the date of this MD&A, the Company has 25,292,011 Common Shares outstanding.

As at the date of this MD&A, the Company has outstanding: 12,768,452 warrants, 20,980,250 Special Warrants, 740,000 stock options and 630,000 RSUs.

**Commitments**

The Company has a commitment with respect to its investment in the Cerrado Biome Stream. The Company has made the first instalment of the upfront deposit to ERA. To date the Company paid \$0.26 million to ERA on closing of the stream, with subsequent instalments totalling \$0.24 million to be paid at specific project milestones. In addition, the Company has committed to pay a finder's fee, totalling \$0.01 million, in connection with the subsequent instalment payment to ERA.

**Off-Balance Sheet Arrangements**

As at the date of this MD&A, the Company did not have any off-balance sheet arrangements.

## Financial Instrument Fair Value and Risk Factors

### Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The Company's financial instruments include cash, investment, accounts payable and accrued liabilities and warrant liability. The carrying value of accounts payable and accrued liabilities approximates their fair value due to their short-term nature. Cash is measured at fair value based on Level 1 of the fair value hierarchy. Other investment and warrant liability are measured at fair value based on Level 3 of the fair value hierarchy.

### Risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is mainly held in credit worthy financial institutions. Credit risk has been assessed as low.

#### *Currency Risk*

Foreign currency risk is the risk that the fair value of financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in Canadian dollars while its functional currency is the United States dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. As at September 30, 2021, the Company held cash of \$26.7 million in Canadian dollars and \$81.9 million in United States dollars. The Company had accounts payable of \$0.6 million in Canadian dollars. As the Company has a number of transactions in foreign currencies, currency risk has been assessed as moderate.

Assuming all other variables remain constant, as at September 30, 2021, a 5% weakening or strengthening of the Canadian dollar against the US dollar would result in a change of approximately \$1.2 million to comprehensive profit and loss.

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank account was subject to the movements in interest rates. The Company has no interest-bearing debt. Therefore, interest rate risk has been assessed as nominal.

### *Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions, liquidity risk has been assessed as low.

### *General Business Risk*

In addition, the Company is exposed to a variety of known and unknown risks in the pursuit of its strategic objectives. The impact of any risk may adversely affect, among other things, the Company's business, financial condition and operating results, which may affect the market price of its securities. The Company monitors its risks on an ongoing basis and seeks to mitigate these risks as and when possible. For a comprehensive discussion of the risks and uncertainties that could have an effect on the business and operations of the Company, investors are urged to review the section of the AIF entitled "Risk Factors" and Annual Consolidated Financial Statements each as of June 30, 2021, copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of \$104.9 million at September 30, 2021 (June 30, 2021 - \$108.0 million).

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

### **Key Sources of Estimation Uncertainty and Critical Accounting Judgments**

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the periods of change, if the change affects that period only, or in the period of the change of future periods, if the change affects both.

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in the Company's consolidated financial statements include:



#### *Accounting for streaming interests*

The Company from time to time will acquire streaming interests. Each streaming interest agreement has its own unique terms and significant judgment is required to assess the appropriate accounting treatment. *Share based compensation*

The Company includes an estimate of share price volatility, expected life, forfeiture rate and risk-free interest rates in the calculation of the fair value for share based payments. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact earnings.

#### *Warrant liability*

The fair value of the warrant liability is measured using a Black-Scholes pricing model. Assumptions and estimates are made in determining an appropriate risk-free interest rate, volatility, term, dividend yield, discount due to exercise restrictions, and the fair value of common stock. Any significant adjustments to the unobservable inputs would have a direct impact on the fair value of the warrant liability.

#### *Deferred taxes*

The Company recognizes the deferred tax benefit related to tax assets and tax losses to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit and expected timing of reversals of existing temporary differences. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from tax assets and tax losses.

#### **Disclosure of Internal Controls**

In accordance with National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") of the Canadian Securities Administrators, the Company issues a "Certification of Interim Filings". This Certification requires certifying officers to certify, among other things, that they are responsible for establishing and maintaining Disclosure Controls and Procedures ("DC&P") and Internal Controls over Financial Reporting ("ICFR") as those terms are defined in NI 52-109. The control framework used to design the Company's ICFR is based on the framework established in Internal Control - Integrated Framework (2013) by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company's ICFR are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's ICFR may not prevent or detect all misstatements because of inherent limitations.

There have been no changes in the Company's ICFR during the quarter ended September 30, 2021, that have materially affected, or are reasonably likely to materially affect, its ICFR.

The Company's DC&P is designed to provide reasonable assurance that material information relating to the Company is made known to the Company's certifying officers by others, particularly during the period in which the interim filings are being prepared, and that information required to be disclosed by the Company in its annual filings, interim filings and other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

## **Non-IFRS Measures**

The term “adjusted working capital” in this MD&A is not a standardized financial measure under IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. This non-IFRS measure should not be considered in isolation or as a substitute for measures of performance or cash flows as prepared in accordance with IFRS. Management believes that these non-IFRS measures, together with measures prepared in accordance with IFRS, provide useful information to investors and shareholders in assessing the Company’s liquidity and overall performance.

## **Cautionary Note Regarding Forward-Looking Statements**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated in such forward-looking statements.

The Company currently believes the expectations reflected in these forward-looking statements are reasonable, but cannot assure that such expectations will prove to be correct, and thus, such statements should not be unduly relied upon. These forward-looking statements are made as of the date of this MD&A and the Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, unless required pursuant to applicable laws. Risk and assumptions that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the headings “Forward-Looking Information” and “Risk Factors” in the Company’s AIF and under the heading “Risks Factors” in this MD&A. Although the Company has attempted to take into account important factors that could cause actual costs or operating results to differ materially, there may be other unforeseen factors and therefore results may not be as anticipated, estimated or intended.

## **Additional Information**

Additional information with respect to the Company, including the Company’s quarterly interim financial statements and Company’s AIF, have been filed with Canadian securities regulatory authorities and is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com). Information contained in or otherwise accessible through the Company’s website does not form a part of this MD&A and is not incorporated by reference into this MD&A.

**Form 52-109F2**  
***Certification of Interim Filings Full Certificate***

I, Justin Cochrane, the Chief Executive Officer of Carbon Streaming Corporation, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Carbon Streaming Corporation (the “issuer”) for the interim period ended September 30, 2021.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.
  - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
    - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
    - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
  - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Internal Control Integrated Framework (COSO Framework) published in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission.
- 5.2 ICFR – material weakness relating to design: N/A
- 5.3 **Limitation on scope of design:** N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on July 1, 2021 and ended on September 30, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: November 15, 2021

(signed) “Justin Cochrane”

Justin Cochrane  
 Chief Executive Officer

**Form 52-109F2**  
**Certification of Interim Filings**  
**Full Certificate**

I, Conor Kearns, the Chief Financial Officer of Carbon Streaming Corporation, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Carbon Streaming Corporation (the “issuer”) for the interim period ended September 30, 2021.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings
  - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
    - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
    - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
  - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Internal Control Integrated Framework (COSO Framework) published in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission.
- 5.2 ICFR – material weakness relating to design: N/A
- 5.3 **Limitation on scope of design:** N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on July 1, 2021 and ended on September 30, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: November 15, 2021

(signed) “Conor Kearns”

Conor Kearns  
 Chief Financial Officer



NEO Exchange: NETZ  
FSE: M2QA

## NEWS RELEASE

### CARBON STREAMING ANNOUNCES QUARTERLY FINANCIAL RESULTS

*Momentum Continues with Public Listing, Completed US\$105M Equity Raise,  
Cornerstone Investments into World-Class Carbon Credit Projects  
And Growing Investment Pipeline*

*Hosts Quarterly Update Call on Thursday November 18, 2021*

TORONTO, ONTARIO, November 15, 2021 – Carbon Streaming Corporation (NEO: NETZ) (FSE: M2QA) (“**Carbon Streaming**” or the “**Company**”) has released its financial results for the three-month period ended September 30, 2021. The Company is hosting a live audio call at 12 noon EST on Thursday November 18, 2021. Further details on how to register and participate in the conference call are provided below.

Carbon Streaming CEO Justin Cochrane said: “We had a fantastic start to this new fiscal year, closing a highly successful capital raise, completing our public listing and investing in two cornerstone carbon projects that will supply carbon credits to the Company for decades.” Mr. Cochrane continued: “These achievements form the basis of a solid foundation upon which we can deliver on our corporate mission of generating shareholder returns while fighting climate change and delivering positive transformation.”

#### Q1 Carbon Credit Streams

- Carbon Streaming announced and subsequently closed a Carbon Credit Streaming agreement with Infinite-EARTH Limited for 100% of the carbon credits (which are not previously committed to other buyers) generated by the Rimba Raya Biodiversity Reserve located in Borneo, Indonesia.
- The Company closed a Carbon Credit Streaming agreement with Brazilian-based project developers Ecosystem Regeneration Associates – ERA Brazil to support the development and growth of their Avoided Conversion grouped project, aimed at protecting native forests and grasslands in the Cerrado biome in central Brazil.

#### Q1 Financial & Market Highlights

- As of September 30, 2021, the Company had US\$108.6M in cash and no corporate debt.
  - The Company successfully completed a non-brokered US\$105M Private Placement of Special Warrants on July 19, 2021.
  - The Company listed and commenced trading of its Common Shares on Canada’s NEO Exchange on July 27, 2021 and in Europe on the Frankfurt Stock Exchange on July 30, 2021.
-

- The Company announced its plans for a 1-for-5 reverse stock split of its Common Shares in September 2021 (effective October 22, 2021).
- Expenses for the period are in line with the Company's recent growth and activity. Net cash used in operating activities for the quarter was US\$2.4 million.
- The Company incurred a net loss of US\$43.3 million for the period, this included a US\$40.5 million non-cash charge related to the recognition of a warrant liability the Company was required to recognize upon the change of its functional currency.

#### **Subsequent Events**

- Carbon Streaming welcomed Mr. Geoff Smith as President and COO and Mr. Derek Sawkins as EVP, Investments and Strategy.
- The Company's securities commenced trading on a post-consolidation basis on October 25, 2021.
- Carbon Streaming continues to execute on its investment strategy and has sourced a near-term pipeline valued at approximately US\$200M, amongst a larger potential deal pipeline of over US\$700M.

#### **Carbon Streaming Welcomes New Board Member**

"We are thrilled to welcome Candace MacGibbon to Carbon Streaming's Board of Directors," stated Company Chairman Maurice Swan. "She will be joining the Board as a strong independent voice. Candace brings with her significant financial, technical, government relations, communications and ESG (Environmental, Social and Governance) experience. Her deep understanding of capital markets and stream financing, combined with her impressive resume of executive leadership roles makes Candace a highly valuable addition to our Board."

Ms. MacGibbon was elected to the Board of the Company at its Annual General Meeting, which was held on November 12, 2021. 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. 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. Ms. MacGibbon holds a Bachelor of Arts – Economics from the University of Western Ontario and a Diploma in Accounting from Wilfrid Laurier University and is a Chartered Professional Accountant.

#### **Audio Conference Call**

Investors are invited to join an interactive Audio Call on Thursday November 18, 2021 at 12 noon EST during which CEO Justin Cochrane and other members of the management team will provide a brief company update and answer questions from participants. Register in advance at: <http://www.directeventreg.com/registration/event/7329088>. Detailed call-in instructions will be emailed once participant registration is complete. An audio recording of the Quarterly Update will be made available on the Company website.

#### **About Carbon Streaming**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

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To receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

**ON BEHALF OF THE COMPANY:**

Justin Cochrane, Chief Executive Officer Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

**Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including, without limitation, statements with respect to execution of its investment strategy and ability to realize on its opportunity pipeline) are forward-looking information. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s Annual Information Form dated as of September 27, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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**Carbon Streaming Corporation - Report of Voting Results**

In accordance with Section 11.3 of *National Instrument 51-102 - Continuous Disclosure Obligations*, the following sets out the matters voted upon at the annual general and special meeting of shareholders (the “**Meeting**”) of Carbon Streaming Corporation (the “**Company**”) held on November 12, 2021. Each of the matters set out below is described in greater detail in the Company’s management information circular dated September 30, 2021 (the “**Circular**”).

**1. Fixing Number of Directors at Seven (7)**

The number of directors of the Company was fixed at seven (7). The results of the votes cast are set out below:

Votes FOR	%	Votes AGAINST	%
37,275,987	99.99%	4,350	0.01%

**2. Election of Directors**

Each of the seven nominees listed in the Circular was elected as a director of the Company for the ensuing year or until their successor is elected or appointed. The results of the votes cast are set out below:

Name of Nominee	Votes FOR	%	Votes WITHHELD	%
Justin Cochrane	37,270,833	99.97%	9,504	0.03%
Maurice Swan	37,270,833	99.97%	9,504	0.03%
R. Marc Bustin	37,251,003	99.92%	29,334	0.08%
Saurabh Handa	37,250,503	99.92%	29,834	0.08%
Candace MacGibbon	37,251,504	99.92%	28,833	0.08%
Andy Tester	37,249,791	99.92%	30,546	0.08%
Jeanne Usonis	37,251,703	99.92%	28,634	0.08%

**3. Appointment of Auditors**

Baker Tilly WM LLP was appointed as the auditor of the Company until the next annual meeting of shareholders or until a successor auditor is appointed and the board of directors of the Company was authorized to fix the remuneration of the auditor. The results of the votes cast are set out below:

Votes FOR	%	Votes WITHHELD	%
38,577,992	99.92%	32,085	0.08%

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**4. Approval of Omnibus Long-Term Incentive Plan**

An ordinary resolution was passed (the full text of which is set out in the Circular) ratifying and approving the Company’s Omnibus Long-Term Incentive Plan, as more particularly described in the Circular and approving the unallocated rights and entitlements under such plan. The results of the votes cast are set out below:

Votes FOR	%	Votes AGAINST	%
36,997,259	99.24%	283,078	0.76%

**5. Amendment and Restatement of Articles**

An ordinary resolution was passed (the full text of which is set out in the Circular) to amend and restate the articles of the Company. The results of the votes cast are set out below:

Votes FOR	%	Votes AGAINST	%
37,028,736	99.33%	251,601	0.67%

No other business was voted upon at the Meeting.

**DATED** this 12th day of November, 2021.

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NEO Exchange: NETZ  
FSE: M2QA

NEWS RELEASE

CARBON STREAMING ANNOUNCES  
ANNUAL AND SPECIAL GENERAL MEETING RESULTS

**TORONTO, ONTARIO, November 12, 2021** – Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) today held its annual general meeting of shareholders (the “**Meeting**”), where each of the seven nominees proposed as directors and listed in the Company’s management proxy circular dated September 30, 2021 were elected as directors. A total of 38,610,077 common shares were voted in respect of the election of directors at the Meeting, representing approximately 30.61% of the votes attached to all outstanding common shares.

The detailed results of the vote are set out below:

Nominee	Outcome of Vote	Voted	Voted (%)
Maurice Swan	Approved	37,270,833 Voted	99.97%
		9,504 Withheld	0.03%
Justin Cochrane	Approved	37,270,833 Voted	99.97%
		9,504 Withheld	0.03%
R. Marc Bustin	Approved	37,251,003 Voted	99.92%
		29,334 Withheld	0.08%
Saurabh Handa	Approved	37,250,503 Voted	99.92%
		29,834 Withheld	0.08%
Candace MacGibbon	Approved	37,251,504 Voted	99.92%
		28,833 Withheld	0.08%
Andy Tester	Approved	37,249,791 Voted	99.92%
		30,546 Withheld	0.08%
Jeanne Usonis	Approved	37,251,703 Voted	99.92%
		28,634 Withheld	0.08%

At the Meeting, the shareholders of the Company also approved: (i) the appointment of Baker Tilly WM LLP as auditor and authorized the directors to fix their remuneration; (ii) the Company’s omnibus long- term incentive plan; and (iii) the amendment and restatement of the Company’s articles.

For complete voting results on all matters approved at the Meeting, please see the Company’s Report of Voting Results dated November 12, 2021 available on SEDAR at [www.sedar.com](http://www.sedar.com).

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**About Carbon Streaming Corporation:**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

To receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

**ON BEHALF OF THE COMPANY:**

Justin Cochrane, Chief Executive Officer

Tel: 647.846.7765

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

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FORM 51-102F3  
MATERIAL CHANGE REPORT

Item 1            Name and Address of Company

Carbon Streaming Corporation (the “**Company**”) 4 King Street West, Suite 401 Toronto, Ontario  
4 King Street West, Suite 401  
Toronto, Ontario  
M5H 1B6

Item 2            Date of Material Change

October 22, 2021

Item 3            News Release

A news release with respect to the material change referred to in this report was issued by the Company on October 19, 2021 through Business Wire and filed on the system for electronic document analysis and retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com) under the Company’s profile.

Item 4            Summary of Material Change

On October 22, 2021, as announced in its press release on October 19, 2021, the Company completed its previously announced consolidation (the “**Consolidation**”) of its issued and outstanding common shares (the “**Common Shares**”), common share purchase warrants (“**Warrants**”) and special warrants (the “**Special Warrants**”).

Item 5            Full Description of Material Change

5.1            Full Description of Material Change

The terms of the Consolidation (reverse stock split) were previously determined by the board of directors of the Company in accordance with the constating documents of the Company. The Consolidation was implemented on the basis of one post-Consolidation Common Share for every five pre-Consolidation Common Shares. The Company also consolidated all of its issued and outstanding Warrants and Special Warrants on the same basis in accordance with the terms of their respective governing indentures and certificates. The Consolidation took effect after the close of business on Friday, October 22, 2021. Having received NEO Exchange Inc. (“**NEO Exchange**”) acceptance of the Consolidation, the Common Shares and listed Warrants commenced trading on a post-Consolidation basis on the NEO Exchange at the opening of trading on October 25, 2021. The Company’s name and trading symbols on the NEO Exchange remain unchanged.

In accordance with the provisions of the *Business Corporations Act* (British Columbia), if, as a result of the Consolidation, a shareholder was otherwise entitled to a fraction of a Common Share in respect of the total aggregate number of pre-Consolidation Common Shares held by such shareholder, no such fractional Common Share were awarded. The aggregate number of Common Shares that such shareholder was entitled to receive, if the fraction was less than one half of one share, was rounded down to the next closest whole number of Common Shares, and if the fraction was at least one half of one share, it was rounded up to one whole Common Share.

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**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

No information has been intentionally omitted from this form.

**Item 8 Executive Officer**

For further information contact Justin Cochrane, Chief Executive Officer by phone at (647) 846-7765 or by email at [info@carbonstreaming.com](mailto:info@carbonstreaming.com).

**Item 9 Date of Report**

October 29, 2021

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**FIRST SUPPLEMENTAL INDENTURE**

**DATED AS OF THE 22<sup>nd</sup> DAY OF OCTOBER, 2021**

**BETWEEN**

**CARBON STREAMING CORPORATION, AS COMPANY**

**AND**

**ODYSSEY TRUST COMPANY, AS WARRANT AGENT**

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**THIS FIRST SUPPLEMENTAL INDENTURE** dated as of October 22, 2021.

**BETWEEN:**

**CARBON STREAMING CORPORATION**, a company existing under the laws of the Province of British Columbia (hereinafter called the “**Company**”)

- and -

**ODYSSEY TRUST COMPANY**, a trust company incorporated under the laws of the Province of Alberta authorized to carry on the business of a trust company in British Columbia (hereinafter called the “**Warrant Agent**”).

**WHEREAS** the Company has entered into a warrant indenture (the “**Original Indenture**”) with the Warrant Agent dated as of March 2, 2021, relating to the issuance of common share purchase warrants (the “**Warrants**”);

**AND WHEREAS** pursuant to Section 8.1(a) of the Original Indenture, the Company and the Warrant Agent may enter into a supplemental indenture for the purposes specified therein, including without limitation to set forth any adjustments resulting from the application of the provisions of Article 4 of the Original Indenture;

**AND WHEREAS**, effective as of the close of business (Toronto Time) on October 22, 2021 (the “**Effective Time**”), the Company will consolidate its common shares (“**Common Shares**”) and Warrants;

**AND WHEREAS**, immediately after the Effective Time, the number of Common Shares will be adjusted on the basis of one (1) post-Consolidation Common Share for every five (5) pre-Consolidation Common Shares, and pursuant to Sections 4.1(a) and 4.1(d) of the Original Indenture:

- (a) the number of Warrants will be adjusted on the basis of one (1) post-Consolidation Warrant for every five (5) pre-Consolidation Warrants; and
- (b) each post-Consolidation Warrant will be exercisable for a price of \$7.50 per post-Consolidation Common Share ((a) and (b) together, the “**Adjustments**”).

**AND WHEREAS**, as a result of the Adjustment, all entitlements to fractional post-Consolidation Warrants will be rounded down to the next whole number of post-Consolidation Warrants, in accordance with the provisions of the Original Indenture, and no consideration will be paid in lieu of fractional Warrants.

**AND WHEREAS** the purpose of this first supplemental indenture (the “**First Supplemental Indenture**”) is to implement and give effect to the Adjustments;

**AND WHEREAS** the foregoing recitals are made as representations and statements of fact by the Company and not by the Warrant Agent;

**NOW THEREFORE THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH** that in consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

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## **ARTICLE 1 INTERPRETATION**

### **Section 1.1 Interpretation Provisions.**

This First Supplemental Indenture is a supplemental indenture to the Original Indenture. The Original Indenture, the First Supplemental Indenture and this First Supplemental Indenture will be read together and will have effect as though all the provisions of all indentures were contained in one instrument. If any terms of the Original Indenture are inconsistent with the express terms or provisions hereof, the terms of this First Supplemental Indenture shall prevail to the extent of the inconsistency. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Original Indenture.

## **ARTICLE 2 AMENDMENT AND SUPPLEMENT**

### **Section 2.1 Amendments to Section 1.1**

The definition of “Exercise Price” in the Original Indenture shall be deleted and replaced with the following:

“**Exercise Price**’ at any time means the price at which a whole Warrant Share may be purchased by the exercise of a whole Warrant, which is initially \$7.50 per Warrant Share, payable in immediately available Canadian funds, subject to adjustment in accordance with the provisions of Section 4.1”

The definition of “Warrants” in the Original Indenture shall be deleted and replaced with the following:

“**Warrants**’ means the Common Share purchase warrants created by, authorized by and issuable under this Indenture, to be issued and countersigned hereunder as a Warrant Certificate and/or Uncertificated Warrant held through the book entry registration system on a no certificate issued basis, entitling the holder or holders thereof to purchase up to 8,659,653 Warrant Shares (subject to adjustment as herein provided) at the Exercise Price prior to the Expiry Time and, where the context so requires, also means the warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant; and”

### **Section 2.2 Amendment to Section 2.1**

The first sentence of Section 2.1 of the Original Indenture shall be deleted and replaced with the following:

“A maximum of 8,659,653 Warrants (subject to adjustment as herein provided) are hereby created and authorized to be issued on the Issue Date in accordance with the terms and conditions hereof”

### **Section 2.3 Amendments to Schedule A**

On Page A-3 of the Original Indenture, the CUSIP NO shall be deleted and replaced with “14116K164”, the ISIN shall be deleted and replaced with “CA14116K1646”, and on page A-4 of the Original Indenture “the exercise price payable for each Common Share upon exercise of Warrants shall be \$1.50 per Common Share” shall be deleted and replaced with “the exercise price payable for each Common Share upon exercise shall be \$7.50 per Common Share”

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**ARTICLE 3  
MISCELLANEOUS**

**Section 3.1 Effective Date.**

This First Supplemental Indenture shall take effect upon the date first above written.

**Section 3.2 Ratification of Indenture**

The Indenture as supplemented by this First Supplemental Indenture is in all respects ratified and confirmed, and this First Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent therein provided.

**Section 3.3 Counterparts.**

This First Supplemental Indenture may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the parties hereto adopt any signatures received by electronic means as original signatures of the parties.

*[Signature Page Follows]*

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**IN WITNESS OF WHICH** this First Supplemental Indenture has been duly executed by the Company and the Warrant Agent.

Dated as of the date first written above.

**CARBON STREAMING CORPORATION**

Per: /s/ “Justin Cochrane”  
Name: Justin Cochrane  
Title: CEO and Director

**ODYSSEY TRUST COMPANY, as Warrant Agent**

Per: /s/ “Dan Sander”  
Name: Dan Sander  
Title: VP, Corporate

Per: /s/ “Amy Douglas”  
Name: Amy Douglas  
Title: Director, Corporate Trust

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CARBON STREAMING CORPORATION CERTIFICATE OF ADJUSTMENT

**To:** Odyssey Trust Company, as warrant agent (the “**Warrant Agent**”)

**Re:** Warrant Indenture dated March 2, 2021, between Carbon Streaming Corporation (the "**Company**") and the Warrant Agent (the " **Warrant Indenture**") – Consolidation of Common Shares and Warrants

Capitalized terms used in this Certificate of Adjustment not otherwise defined shall have the meaning given to them in the Warrant Indenture.

Pursuant to Section 4.6 of the Warrant Indenture relating to the issuance of common share purchase warrants (the “**Warrants**”), the Company hereby gives notice of the consolidation (the “**Consolidation**”) of its common shares (“**Common Shares**”) and Warrants to the holders of Warrants as of the close of business (Toronto Time) on October 22, 2021 (the “**Effective Time**”).

At the Effective Time, the number of Common Shares is adjusted on the basis of one (1) post- Consolidation Common Share for every five (5) pre-Consolidation Common Shares and pursuant to Sections 4.1(a) and 4.1(d) of the Warrant Indenture:

- (a) the number of Warrants is adjusted on the basis of one (1) post-Consolidation Warrant for every five (5) pre-Consolidation Warrants; and
- (b) each post-Consolidation Warrant is exercisable for a price of \$7.50 per post-Consolidation Common Share ((a) and (b) together, the “**Adjustments**”).

As a result of the Adjustments, the total number of Warrants outstanding is decreased to approximately 8,659,854. All entitlements to fractional post-Consolidation Warrants will be rounded down to the next whole number of post-Consolidation Warrants, in accordance with the provisions of the Warrant Indenture, and no consideration will be paid in lieu of fractional Warrants. In addition, the total number of Common Shares issuable upon exercise of outstanding post-Consolidation Warrants is reduced to approximately 8,659,854.

Upon the effectiveness of the Consolidation, the Common Shares will continue to trade on the NEO Exchange under the symbol “NETZ”, and the Warrants will continue to trade on the NEO Exchange under the symbol “NETZ.W”. The Common Shares and Warrants will be identified under the following new CUSIPs and ISINs:

<u>Security</u>	<u>CUSIP</u>	<u>ISIN</u>
Common Shares	14116K404	CA14116K4046
Warrants	14116K164	CA14116K1646

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Dated October 22, 2021.

**CARBON STREAMING CORPORATION**

/s/ “Justin Cochrane”

Name: Justin Cochrane

Title: CEO and Director

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**FIRST SUPPLEMENTAL INDENTURE**

**DATED AS OF THE 22<sup>nd</sup> DAY OF OCTOBER, 2021**

**BETWEEN**

**CARBON STREAMING CORPORATION, AS COMPANY**

**AND**

**ODYSSEY TRUST COMPANY, AS SPECIAL WARRANT AGENT**

---

**THIS FIRST SUPPLEMENTAL INDENTURE** dated as of October 22, 2021.

**BETWEEN:**

**CARBON STREAMING CORPORATION**, a company existing under the laws of the Province of British Columbia (hereinafter called the “**Company**”)

- and -

**ODYSSEY TRUST COMPANY**, a trust company incorporated under the laws of the Province of Alberta authorized to carry on the business of a trust company in British Columbia (hereinafter called the “**Special Warrant Agent**”).

**WHEREAS** the Company has entered into a special warrant indenture (the “**Original Indenture**”) with the Special Warrant Agent dated as of July 19, 2021, relating to the issuance of special warrants (the “**Special Warrants**”);

**AND WHEREAS** pursuant to Section 8.1(a) of the Original Indenture, the Company and the Special Warrant Agent may enter into a supplemental indenture for the purposes specified therein, including without limitation to set forth any adjustments resulting from the application of the provisions of Article 4 of the Original Indenture;

**AND WHEREAS**, effective as of the close of business (Toronto Time) on October 22, 2021 (the “**Effective Time**”), the Company will consolidate its common shares (“**Common Shares**”), Special Warrants and the common share purchase warrants underlying such Special Warrants (“**Warrants**”);

**AND WHEREAS**, at the Effective Time, the number of Common Shares will be adjusted on the basis of one (1) post-Consolidation Common Share for every five (5) pre-Consolidation Common Shares, and pursuant to Sections 4.1(a) and 4.1(d) of the Original Indenture:

- (a) the number of Special Warrants will be adjusted on the basis of one (1) post-Consolidation Special Warrant for every five (5) pre-Consolidation Special Warrants;
- (b) each Special Warrant will be exercisable to acquire one post-consolidation Common Share and one post-Consolidation Warrant; and
- (c) each post-Consolidation Warrant will be exercisable for a price of US\$7.50 per post-Consolidation Common Share ((a)-(c) collectively, the “**Adjustments**”).

**AND WHEREAS**, as a result of the Adjustments, all entitlements to fractional post-Consolidation Special Warrants or Warrants will be rounded down to the next whole number of post-Consolidation Special Warrants or post-Consolidation Warrants, respectively, in accordance with the provisions of the Original Indenture, and no consideration will be paid in lieu of fractional Special Warrants or Warrants.

**AND WHEREAS** the purpose of this first supplemental indenture (the “**First Supplemental Indenture**”) is to implement and give effect to the Adjustments;

**AND WHEREAS** the foregoing recitals are made as representations and statements of fact by the Company and not by the Special Warrant Agent;

**NOW THEREFORE THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH** that in consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **Section 1.1 Interpretation Provisions.**

This First Supplemental Indenture is a supplemental indenture to the Original Indenture. The Original Indenture, the First Supplemental Indenture and this First Supplemental Indenture will be read together and will have effect as though all the provisions of all indentures were contained in one instrument. If any terms of the Original Indenture are inconsistent with the express terms or provisions hereof, the terms of this First Supplemental Indenture shall prevail to the extent of the inconsistency. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Original Indenture.

## **ARTICLE 2 AMENDMENT AND SUPPLEMENT**

### **Section 2.1 Amendment to Section 1.1**

The definition of “Underlying Warrants” in the Original Indenture shall be deleted and replaced with the following:

“‘**Underlying Warrants**’ means the Common Share purchase warrants of the Company, each whole Underlying Warrant comprising part of each Unit, and each Underlying Warrant being exercisable to acquire one Common Share at a price of \$7.50 per Common Share until the Warrant Expiry Date.

### **Section 2.2 Amendment to Section 2.1**

The first sentence of Section 2.1 of the Original Indenture shall be deleted and replaced with the following:

“Up to 22,000,000 Special Warrants, entitling the holders thereof to acquire the Units on the terms and subject to the conditions herein provided, are hereby created and authorized for issuance at a price of \$5.00 per Special Warrant.”

### **Section 2.3 Amendment to Schedule A**

On Page A-2 of the Original Indenture, the CUSIP NO shall be deleted and replaced with “14116K156”, the ISIN shall be deleted and replaced with “CA14116K1562”, and “at a price of \$1.50 per Warrant Share” shall be deleted and replaced with “at a price of \$7.50 per Warrant Share”.

## **ARTICLE 3 MISCELLANEOUS**

### **Section 3.1 Effective Date.**

This First Supplemental Indenture shall take effect upon the date first above written.

### **Section 3.2 Ratification of Indenture**

The Indenture as supplemented by this First Supplemental Indenture is in all respects ratified and confirmed, and this First Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent therein provided.

### **Section 3.3 Counterparts.**

This First Supplemental Indenture may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the parties hereto adopt any signatures received by electronic means as original signatures of the parties.

*[Signature Page Follows]*

**IN WITNESS OF WHICH** this First Supplemental Indenture has been duly executed by the Company and the Special Warrant Agent.

Dated as of the date first written above.

**CARBON STREAMING CORPORATION**

Per: /s/ “Justin Cochrane”  
Name: Justin Cochrane  
Title: CEO and Director

**ODYSSEY TRUST COMPANY, as Special Warrant Agent**

Per: /s/ “Dan Sander”  
Name: Dan Sander  
Title: VP, Corporate

Per: /s/ “Amy Douglas”  
Name: Amy Douglas  
Title: Director, Corporate Trust



**CARBON STREAMING CORPORATION**  
**CERTIFICATE OF ADJUSTMENT**

**To:** Odyssey Trust Company, as special warrant agent (the “**Special Warrant Agent**”)

**Re:** Special Warrant Indenture dated July 19, 2021, between Carbon Streaming Corporation (the “**Company**”) and the Special Warrant Agent (the “**Special Warrant Indenture**”) - Consolidation of Common Shares, Special Warrants, and Warrants

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Capitalized terms used in this Certificate of Adjustment not otherwise defined shall have the meaning given to them in the Special Warrant Indenture.

Pursuant to Section 4.3 of the Special Warrant Indenture relating to the issuance of special warrants (the “**Special Warrants**”), the Company hereby gives notice of the consolidation (the “**Consolidation**”) of its common shares (“**Common Shares**”), Special Warrants and common share purchase warrants underlying such Special Warrants (“**Warrants**”) to the holders of Special Warrants as of the close of business (Toronto Time) on October 22, 2021 (the “**Effective Time**”).

At the Effective Time, the number of Common Shares is adjusted on the basis of one (1) postConsolidation Common Share for every five (5) pre-Consolidation Common Shares, and pursuant to Sections 4.1(a) and 4.1(d) of the Special Warrant Indenture:

- (a) the number of Special Warrants is adjusted on the basis of one (1) post-Consolidation Special Warrant for every five (5) pre-Consolidation Special Warrants;
- (b) each Special Warrant is exercisable to acquire one post-consolidation Common Share and one post-Consolidation Warrant; and
- (c) each post-Consolidation Warrant is exercisable for a price of US\$7.50 per post-Consolidation Common Share ((a) - (c) collectively, the “**Adjustments**”).

As a result of the Adjustments, the total number of Special Warrants outstanding is decreased to approximately 20,980,251. All entitlements to fractional post-Consolidation Special Warrants will be rounded down to the next whole number of post-Consolidation Special Warrants in accordance with the provisions of the Special Warrant Indenture, and no consideration will be paid in lieu of fractional Special Warrants. In addition, the total number of Common Shares issuable upon exercise of outstanding postConsolidation Special Warrants, the total number of Warrants issuable upon exercise of such postConsolidation Special Warrants, and the total number of Common Shares issuable upon exercise of such Warrants, are reduced, in each case, to approximately 20,980,581.

Upon the effectiveness of the Consolidation, the Common Shares will continue to trade on the NEO Exchange under the symbol “NETZ”, and the Common Shares, Special Warrants, and Warrants will be identified under the following new CUSIPs and ISINs:

Security	CUSIP	ISIN
Common Shares	14116 K404	CA14116K4046
Special Warrants	14116 K156	CA14116K1562
Warrants	14116 K149	CA14116K1497

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Dated October 22,2021

**CARBON STREAMING CORPORATION**

*/s/”Justin Cochrane”*

Name: Justin Cochrane

Title: CEO and Director

**FIRST SUPPLEMENTAL INDENTURE**

**DATED AS OF THE 22<sup>nd</sup> DAY OF OCTOBER, 2021**

**BETWEEN**

**CARBON STREAMING CORPORATION, AS COMPANY**

**AND**

**ODYSSEY TRUST COMPANY, AS WARRANT AGENT**

---

**THIS FIRST SUPPLEMENTAL INDENTURE** dated as of October 22, 2021.

**BETWEEN:**

**CARBON STREAMING CORPORATION**, a company existing under the laws of the Province of British Columbia (hereinafter called the “**Company**”)

- and -

**ODYSSEY TRUST COMPANY**, a trust company incorporated under the laws of the Province of Alberta authorized to carry on the business of a trust company in British Columbia (hereinafter called the “**Warrant Agent**”).

**WHEREAS** the Company has entered into a warrant indenture (the “**Original Indenture**”) with the Warrant Agent dated as of July 19, 2021, relating to the issuance of common share purchase warrants (the “**Warrants**”);

**AND WHEREAS** pursuant to Section 8.1(a) of the Original Indenture, the Company and the Warrant Agent may enter into a supplemental indenture for the purposes specified therein, including without limitation to set forth any adjustments resulting from the application of the provisions of Article 4 of the Original Indenture;

**AND WHEREAS**, effective as of the close of business (Toronto Time) on October 22, 2021 (the “**Effective Time**”), the Company will consolidate its common shares (“**Common Shares**”), special warrants (“**Special Warrants**”) and the Warrants underlying such Special Warrants;

**AND WHEREAS**, immediately after the Effective Time, the number of Common Shares will be adjusted on the basis of one (1) post-Consolidation Common Share for every five (5) pre-Consolidation Common Shares, and pursuant to Sections 4.1(a) and 4.1(d) of the Original Indenture:

- (a) the number of Special Warrants will be adjusted on the basis of one (1) post-Consolidation Special Warrant for every five (5) pre-Consolidation Special Warrants;
- (b) each Special Warrant will be exercisable to acquire one post-consolidation Common Share and one post-Consolidation Warrant; and
- (c) each post-Consolidation Warrant will be exercisable for a price of US\$7.50 per post-Consolidation Common Share ((a)-(c) collectively, the “**Adjustments**”).

**AND WHEREAS**, as a result of the Adjustments, all entitlements to fractional post-Consolidation Warrants will be rounded down to the next whole number of post-Consolidation Warrants, in accordance with the provisions of the Original Indenture, and no consideration will be paid in lieu of fractional Warrants.

**AND WHEREAS** the purpose of this first supplemental indenture (the “**First Supplemental Indenture**”) is to implement and give effect to the Adjustments;

**AND WHEREAS** the foregoing recitals are made as representations and statements of fact by the Company and not by the Warrant Agent;

**NOW THEREFORE THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH** that in consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **Section 1.1 Interpretation Provisions.**

This First Supplemental Indenture is a supplemental indenture to the Original Indenture. The Original Indenture, the First Supplemental Indenture and this First Supplemental Indenture will be read together and will have effect as though all the provisions of all indentures were contained in one instrument. If any terms of the Original Indenture are inconsistent with the express terms or provisions hereof, the terms of this First Supplemental Indenture shall prevail to the extent of the inconsistency. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Original Indenture.

## **ARTICLE 2**

### **AMENDMENT AND SUPPLEMENT Section 2.1**

#### **Amendments to Section 1.1**

The definition of “Exercise Price” in the Original Indenture shall be deleted and replaced with the following:

“‘**Exercise Price**’ at any time means the price at which a whole Warrant Share may be purchased by the exercise of a whole Warrant, which is initially \$7.50 per Warrant Share, payable in immediately available funds, subject to adjustment in accordance with the provisions of Section 4.1”

The definition of “Warrants” in the Original Indenture shall be deleted and replaced with the following:

“‘**Warrants**’ means the Common Share purchase warrants created by, authorized by and issuable under this Indenture, to be issued and countersigned hereunder as a Warrant Certificate and/or Uncertificated Warrant held through the book entry registration system on a no certificate issued basis, entitling the holder or holders thereof to purchase up to 22,000,000 Warrant Shares (subject to adjustment as herein provided) at the Exercise Price prior to the Expiry Time and, where the context so requires, also means the warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant”

#### **Section 2.2 Amendment to Section 2.1**

The first sentence of Section 2.1 of the Original Indenture shall be deleted and replaced with the following:

“A maximum of 22,000,000 Warrants (subject to adjustment as herein provided) are hereby created and authorized to be issued on the Issue Date in accordance with the terms and conditions hereof.”

### **Section 2.3 Amendments to Schedule A**

On Page A-3 of the Original Indenture, the CUSIP NO shall be deleted and replaced with “14116K149”, the ISIN shall be deleted and replaced with “CA14116K1497”, and on page A-4 of the Original Indenture “at a price of \$1.50 per Common Share” shall be deleted and replaced with “at a price of \$7.50 per Warrant Share”.

## **ARTICLE 3 MISCELLANEOUS**

### **Section 3.1 Effective Date.**

This First Supplemental Indenture shall take effect upon the date first above written.

### **Section 3.2 Ratification of Indenture**

The Indenture as supplemented by this First Supplemental Indenture is in all respects ratified and confirmed, and this First Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent therein provided.

### **Section 3.3 Counterparts.**

This First Supplemental Indenture may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the parties hereto adopt any signatures received by electronic means as original signatures of the parties.

**IN WITNESS OF WHICH** this First Supplemental Indenture has been duly executed by the Company and the Warrant Agent.

Dated as of the date first written above.

**CARBON STREAMING CORPORATION**

Per: /s/ “Justin Cochrane”  
Per: Justin Cochrane  
Title: CEO and Director

**ODYSSEY TRUST COMPANY, as Warrant Agent**

Per: /s/ “Dan Sander”  
Name: Dan Sander  
Title: VP, Corporate

Per: /s/ “Amy Douglas”  
Name: Amy Douglas  
Title: Director, Corporate Trust

**CARBON STREAMING CORPORATION**  
**CERTIFICATE OF ADJUSTMENT**

**To:** Odyssey Trust Company, as warrant agent (the “**Warrant Agent**”)

**Re:** Warrant Indenture dated July 19, 2021, between Carbon Streaming Corporation (the “**Company**”) and the Warrant Agent (the “**Warrant Indenture**”) - Consolidation of Common Shares, Special Warrants, and Warrants

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Capitalized terms used in this Certificate of Adjustment not otherwise defined shall have the meaning given to them in the Warrant Indenture.

Pursuant to Section 4.6 of the Warrant Indenture relating to the issuance of common share purchase warrants (the “**Warrants**”), the Company hereby gives notice of the consolidation (the “**Consolidation**”) of its common shares (“**Common Shares**”), special warrants (“**Special Warrants**”), and the Warrants underlying such Special Warrants to the holders of Warrants as of the close of business (Toronto Time) on October 22, 2021 (the “**Effective Time**”).

At the Effective Time, the number of Common Shares is adjusted on the basis of one (1) post-Consolidation Common Share for every five (5) pre-Consolidation Common Shares and:

- (a) the number of Special Warrants is adjusted on the basis of one (1) post-Consolidation Special Warrant for every five (5) pre-Consolidation Special Warrants;
- (b) each Special Warrant is exercisable to acquire one post-consolidation Common Share and one post-Consolidation Warrant; and
- (c) pursuant to Sections 4.1(a) and 4.1(d) of the Warrant Indenture, each post-Consolidation Warrant is exercisable for a price of US\$7.50 per post-Consolidation Common Share ((a)-(c) collectively, the “**Adjustments**”).

As a result of the Adjustments, the total number of Special Warrants outstanding is decreased to approximately 20,980,251. All entitlements to fractional post-Consolidation Warrants will be rounded down to the next whole number of post-Consolidation Warrants, in accordance with the provisions of the Warrant Indenture, and no consideration will be paid in lieu of fractional Warrants. In addition, the total number of Common Shares issuable upon exercise of outstanding post-Consolidation Special Warrants, the total number of Warrants issuable upon exercise of such post-Consolidation Special Warrants, and the total number of Common Shares issuable upon exercise of such Warrants, are reduced, in each case, to approximately 20,980,581.

Upon the effectiveness of the Consolidation, the Common Shares will continue to trade on the NEO Exchange under the symbol “NETZ”, and the Common Shares, Special Warrants, and Warrants will be identified under the following new CUSIPs and ISINs:

<b>Security</b>	<b>CUSIP</b>	<b>ISIN</b>
Common Shares	14116 K404	CA14116K4046
Special Warrants	14116 K404	CA14116K1562
Warrants	14116 K149	CA14116K1497

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Dated October 22,2021

**CARBON STREAMING CORPORATION**

*/s/“Justin Cochrane”*

Name: Justin Cochrane

Title: CEO and Director



NEO Exchange: NETZ  
FSE: M2QA

## NEWS RELEASE

### CARBON STREAMING PROVIDES UPDATE ON SHARE AND WARRANT CONSOLIDATION TO PURSUE A POTENTIAL U.S. LISTING

*Post-consolidation Trading to Start October 25, 2021*

TORONTO, ONTARIO, October 19, 2021 - Carbon Streaming Corporation (NEO: NETZ) (FSE: M2QA) (“**Carbon Streaming**” or the “**Company**”) is pleased to announce that the Company will start trading on a post-consolidated basis on October 25, 2021. The Company had previously announced its proposed consolidation (the “**Consolidation**”) of its issued and outstanding common shares (“**Common Shares**”), common share purchase warrants (“**Warrants**”) and special warrants (the “**Special Warrants**”) on September 17, 2021.

“The share consolidation is the latest step in proceeding with our U.S. listing strategy,” said Carbon Streaming CEO, Justin Cochrane. “We believe the potential U.S. listing will provide the Company with increased flexibility, enhanced liquidity and greater potential to achieve our ambitious growth plans.”

#### Consolidation Highlights:

- The Consolidation will commence at the opening of trading on October 25, 2021.
- The Company’s name and trading symbols will remain unchanged.  
The Common Shares and listed Warrants will continue to trade on a post-Consolidation basis on the NEO Exchange Inc. (the “NEO Exchange”).

The board of directors of the Company previously determined in accordance with the constating documents of the Company that the Consolidation (reverse stock split) will be implemented on the basis of one postConsolidation Common Share for every five pre-Consolidation Common Shares (1-for-5). The Company will also consolidate all of its issued and outstanding Warrants and Special Warrants on the same basis in accordance with the terms of their governing indentures and certificates. The Company has determined that the Consolidation will take effect after the close of business on Friday, October 22, 2021.

The Company has received NEO Exchange acceptance of the Consolidation, and commencing at the opening of trading on October 25, 2021, the Common Shares and listed Warrants will trade on a postConsolidation basis on the NEO Exchange. The Company’s name and trading symbols will remain unchanged.

In accordance with the provisions of the *Business Corporations Act* (British Columbia), if, as a result of the Consolidation, a shareholder would otherwise be entitled to a fraction of a Common Share in respect of the total aggregate number of pre-Consolidation Common Shares held by such shareholder, no such fractional Common Share will be awarded. The aggregate number of Common Shares that such shareholder is entitled to will, if the fraction is less than one half of one share, be rounded down to the next closest whole number of Common Shares, and if the fraction is at least one half of one share, be rounded up to one whole Common Share. By way of example, if a shareholder held 999 pre-Consolidation Common Shares, the shareholder would hold 200 Common Shares on a post-Consolidation basis.

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Summary of Consolidation

The following table summarizes the structure of the Common Shares, Warrants and the Special Warrants following completion of the Consolidation:

Securities	Pre-Consolidation Terms	Post-Consolidation Terms (effective October 22, 2021)
Common Shares (NEO: NETZ)	Common Shares in the capital of the Company.	<p>Each holder of Common Shares shall receive one post-Consolidation Common Share for every five preConsolidation Common Shares held (1- for-5).</p> <p>If a shareholder would otherwise be entitled to a fraction of a Common Share in respect of the total aggregate number of pre-Consolidation Common Shares held by such shareholder, no such fractional Common Share will be awarded. The aggregate number of Common Shares that such shareholder is entitled to will, if the fraction is less than one half of one share, be rounded down to the next closest whole number of Common Shares, and if the fraction is at least one half of one share, be rounded up to one whole Common Share.</p>
Listed Warrants expiring on March 2, 2026 (NEO: NETZ.WT)	Each Listed Warrant exercisable to purchase one Common Share at an exercise price of Cdn\$1.50 per share.	<p>Each Listed Warrant exercisable to purchase one post-Consolidation Common Share at an exercise price of Cdn\$7.50 per share.</p> <p>All entitlements to fractional postConsolidation Listed Warrants will be rounded down to the next whole number of post-Consolidation Listed Warrants in accordance with the provisions of the warrant indenture dated March 2, 2021 between the Company and Odyssey Trust Company and no consideration will be paid in lieu of fractional Listed Warrants.</p>
Unlisted Special Warrants issued July 19, 2021	Each Special Warrant is exercisable (or will be deemed to be exercised) to acquire one Common Share and one Warrant.	<p>Each Special Warrant exercisable to acquire one post-Consolidation Common Share and Warrant.</p> <p>All entitlements to fractional postConsolidation Special Warrants will be rounded down to the next whole number of post-Consolidation Special Warrants in accordance with the provisions of the special warrant indenture dated July 19, 2021 between the Company and Odyssey Trust Company and no consideration will be paid in lieu of fractional Special Warrants.</p>

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Unlisted Warrants expiring on September 19, 2026 *  <i>* These Warrants are underlying the unexercised Special Warrants; the Company intends to list such Warrants on the NEO Exchange following deemed exercise of the Special Warrants</i>	Each Warrant exercisable to purchase one Common Share at an exercise price of US\$1.50 per share.	Each Warrant exercisable to purchase one post-Consolidation Common Share at an exercise price of US\$7.50 per share.  All entitlements to fractional postConsolidation Warrants will be rounded down to the next whole number of postConsolidation Warrants in accordance with the provisions of the warrant indenture dated July 19, 2021 between the Company and Odyssey Trust Company and no consideration will be paid in lieu of fractional Warrants.
Unlisted Warrants represented by certificates (various expiry dates)	Each Warrant exercisable to purchase one Common Share at an exercise price of Cdn\$0.125 - Cdn\$0.75 per share.	Each Warrant exercisable to purchase one post-Consolidation Common Share at an exercise price of Cdn\$0.625 - Cdn\$3.75 per share.

**Registered Shareholders - Action Required**

Registered shareholders holding share certificates or direct registration statements will be mailed a letter of transmittal by the Company’s transfer agent, Odyssey Trust Company, advising of the Consolidation and instructing them to surrender their share certificates representing pre-Consolidation Common Shares for replacement certificates or a direct registration advice representing their post-Consolidation Common Shares. Until surrendered for exchange, following the effective date of the Consolidation, each share certificate or direct registration statement formerly representing pre-Consolidation Common Shares will be deemed to represent the number of whole post-Consolidation Common Shares to which the holder is entitled as a result of the Consolidation.

**Beneficial Shareholders - No Action Required**

Beneficial shareholders who hold uncertificated Common Shares (that is, Common Shares held in book- entry form and not represented by a physical share certificate or direct registration statement), either as registered holders or beneficial owners, will have their existing book-entry account(s) electronically adjusted by the Company’s transfer agent or, for beneficial shareholders, by their brokerage firms, banks, trusts or other nominees that hold in street name for their benefit. Such holders do not need to take any additional actions to exchange their pre-Consolidation Common Shares for post-Consolidation Common Shares. If you hold your shares with such a bank, broker or other nominee, and if you have questions in this regard, you are encouraged to contact your nominee.

**Holders of Warrants and Special Warrants - No Action Required**

In accordance with their respective governing indentures or warrant certificates, as applicable, following the effective date of the Consolidation, each warrant certificate or special warrant certificate, as applicable, formerly representing pre-Consolidation Warrants or Special Warrants will be deemed to represent the number of whole post-Consolidation Warrants or Special Warrants to which the holder is entitled as a result of the Consolidation.

Holders who hold uncertificated Warrants or Special Warrants (that is, Warrants or Special Warrants held in book-entry form and not represented by a warrant or special warrant certificate or direct registration statement), either as registered holders or beneficial owners, will have their existing book-entry account(s) electronically adjusted by the Company’s warrant agent or special warrant agent or, for beneficial shareholders, by their brokerage firms, banks, trusts or other nominees that hold in street name for their benefit. Such holders do not need to take any additional actions to exchange their pre-Consolidation Warrants or Special Warrants for post-Consolidation Warrants or Special Warrants. If you hold your Warrants or Special Warrants with such a bank, broker or other nominee, and if you have questions in this regard, you are encouraged to contact your nominee.

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## About Carbon Streaming Corporation

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

To receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

### ON BEHALF OF THE COMPANY:

Justin Cochrane, Chief Executive Officer  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

### INVESTOR INQUIRIES:

[investors@carbonstreaming.com](mailto:investors@carbonstreaming.com)

Odyssey Trust Company Tel:  
587.885.0960  
1-888-290-1175  
<https://odysseycontact.com/>  
[www.odysseytrust.com](http://www.odysseytrust.com)

### Cautionary Statement Regarding Forward-Looking Information

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including, without limitation, statements with respect to the timing of the Consolidation, statements with respect to the potential additional listing of the company on a U.S. exchange and the expected benefits of such listing) are forward-looking information. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s AIF dated as of September 27, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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CARBON STREAMING CORPORATION

Form of Proxy – Annual and Special Meeting to be held on November 12, 2021



**Appointment of Proxyholder.** I/we bring the undersigned holder(s) of Carbon Streaming Corporation hereby appoint **Maurice Swan** or failing this person, **Justin Cochrane** or failing this person, **Anne Walters** OR  **Print the name of the person you are appointing if this person is someone other than the Management Nominees listed herein:**

as my/our proxyholder with full power of substitution and to attend, act, and to vote for and on behalf of the holder in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) and all other matters that may properly come before the Annual and Special Meeting of Carbon Streaming Corporation to be held at 4 King Street West, Suite 401, Toronto, Ontario, Canada M5H 1B6 at 10:00 a.m. (Toronto time) or at any adjournment or postponement thereof

1. Number of Directors.	To set the number of directors to be elected at the Meeting to all seven (7).				For	Against	
					<input type="checkbox"/>	<input type="checkbox"/>	
2. Election of Directors.	For	Withhold	For	Withhold	For	Withhold	
a. R. Marc Burton	<input type="checkbox"/>	<input type="checkbox"/>	b. Justin Cochrane	<input type="checkbox"/>	<input type="checkbox"/>	c. Karath Henda	<input type="checkbox"/>
d. Candace MacIsibbon	<input type="checkbox"/>	<input type="checkbox"/>	e. Maurice Swan	<input type="checkbox"/>	<input type="checkbox"/>	f. Andy Tester	<input type="checkbox"/>
g. Jeanne Uwais	<input type="checkbox"/>	<input type="checkbox"/>					
3. Appointment of Auditors.	Appointment of Baker Tilly WM LLP, Chartered Professional Accountants, as Auditor of the Company for the ensuing year and authorizing the Directors to fix their remuneration.				For	Withhold	
					<input type="checkbox"/>	<input type="checkbox"/>	
4. Approval of Omnibus LTIP.	To consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set out in the Management Information Circular of the Company, confirming and approving the omnibus long term incentive plan of the Company.				For	Against	
					<input type="checkbox"/>	<input type="checkbox"/>	
5. Approval of Amended and Restated Articles.	To consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set out in the Management Information Circular of the Company, approving the amended and restated articles of the Company, as more particularly described in the Management Information Circular of the Company.				For	Against	
					<input type="checkbox"/>	<input type="checkbox"/>	

**Authorized Signature(s) – This section must be completed for your instructions to be executed.** Signature(s): \_\_\_\_\_ Date: \_\_\_\_\_

I/we authorize you to act in accordance with my/our instructions set out above. I/we hereby revoke any proxy previously given with respect to the Meeting. If no voting instructions are indicated above, this Proxy will be voted as recommended by Management.

MM / DD / YY

**Interim Financial Statements** – Check the box to the right if you would like to receive interim financial statements and accompanying Management's Discussion & Analysis by mail. See reverse for instructions to sign up for delivery by email. ☐

**Annual Financial Statements** – Check the box to the right if you would like to receive the Annual Financial Statements and accompanying Management's Discussion and Analysis by mail. See reverse for instructions to sign up for delivery by email. ☐

This form of proxy is solicited by and on behalf of Management.

Proxies must be received by 10:00 a.m., Toronto time, on November 10, 2021.

**Notes to Proxy**

1. Each holder has the right to appoint a person, who need not be a holder, to attend and represent him or her at the Annual and Special Meeting. If you wish to appoint a person other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided on the reverse.
2. If the securities are registered in the name of more than one holder (for example, joint ownership, trustees, executors, etc.) then all of the registered owners must sign this proxy in the space provided on the reverse. If you are voting on behalf of a corporation or another individual, you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name appears on the proxy.
4. If this proxy is not dated, it will be deemed to bear the date on which it is mailed by Management to the holder.
5. The securities represented by this proxy will be voted as directed by the holder; however, if such a direction is not made in respect of any matter, this proxy will be voted as recommended by Management.
6. The securities represented by this proxy will be voted or withheld from voting, in accordance with the instructions of the holder, on any ballot that may be called for and, if the holder has specified a choice with respect to any matter to be acted on, the securities will be voted accordingly.
7. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the meeting.
8. This proxy should be read in conjunction with the accompanying documentation provided by Management.

**INSTEAD OF MAILING THIS PROXY, YOU MAY SUBMIT YOUR PROXY USING SECURE ONLINE VOTING AVAILABLE ANYTIME:**



To Vote Your Proxy Online please visit:

<https://login.odysseetrust.com/tr/login> and click on

**VOTE**

You will require the CONTROL NUMBER printed with your address to the right.

If you vote by Internet, do not mail this proxy.

To request the receipt of future documents via email and/or to sign up for Securityholder Online services, you may contact Odyssey Trust Company at [www.odysseetrust.com](http://www.odysseetrust.com)

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual. A return envelope has been enclosed for voting by mail.

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**Notice of Availability of Proxy Materials for  
CARBON STREAMING CORPORATION Annual and Special Meeting**

**Meeting Date and Time: November 12, 2021  
10:00 a.m. (Toronto time)**

**Location: 4 King Street West, Suite 401, Toronto, Ontario, Canada M5H 1B6**

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Please be advised that the proxy materials for the above noted securityholder meeting of Carbon Streaming Corporation (“the **Company**”) are available for viewing and downloading online. This document provides an overview of these materials, but you are reminded to access and review the information circular and other proxy materials available online prior to voting. These materials are available at:

**<https://www.carbonstreaming.com/investors/annual-general-meeting/>**

**OR**

**[www.sedar.com](http://www.sedar.com)**

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**Obtaining Paper Copies of the Proxy Materials**

Securityholders may request to receive paper copies of the proxy materials related to the above referenced meeting by mail at no cost. Requests for paper copies must be received by October 26, 2021 in order to receive the paper copy in advance of the meeting. Shareholders may request to receive a paper copy of the Materials for up to one year from the date the Materials were filed on [www.sedar.com](http://www.sedar.com).

For more information regarding notice-and-access or to obtain a paper copy of the Materials you may contact our transfer agent, Odyssey Trust Company, via [www.odysseycontact.com](http://www.odysseycontact.com) or by phone at 1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America).

**Notice of Meeting**

The resolutions to be voted on at the meeting, described in detail in the Management Information Circular, are as follows:

1. **Financial Statements:** to receive and consider the audited consolidated financial statements of the Company for the financial year ended June 30, 2021 together with the report of the auditor thereon.
  2. **Fix Number of Directors:** to fix the number of directors of the Company at seven.
  3. **Elect our Directors:** to elect seven directors of the Company for the ensuing year.
  4. **Appoint our Auditor:** to appoint Baker Tilly WM LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the board of directors to fix their remuneration.
  5. **Approve Omnibus LTIP:** to approve an ordinary resolution ratifying and approving the Company’s Omnibus Long-Term Incentive Plan and approval of unallocated rights and entitlements under such plan.
  6. **Approval A&R Articles:** to approve an ordinary resolution ratifying and approving the amendment and restatement of the articles of the Company.
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## **Voting**

**PLEASE NOTE - YOU CANNOT VOTE BY RETURNING THIS NOTICE.** To vote your securities, please refer to the instructions on the enclosed Proxy or Voting Instruction Form. Your Proxy or Voting Instruction Form must be received by 10:00 (Toronto time) on November 10, 2021.

***PLEASE VIEW THE MANAGEMENT INFORMATION CIRCULAR PRIOR TO VOTING***

## **Stratification**

The Issuer is providing paper copies of its Management Information Circular only to those registered shareholders and beneficial shareholders that have previously requested to receive paper materials.

## **Annual Financial Statements**

The Issuer is providing paper copies or emailing electronic copies of its annual financial statements to registered shareholders and beneficial shareholders that have opted to receive annual financial statements and have indicated a preference for either delivery method.

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**Management  
Information Circular**

For the Annual and Special Meeting of Shareholders  
to be held on **November 12, 2021**

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## Notice of Annual and Special Meeting of Shareholders

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**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Carbon Streaming Corporation (the “**Company**”) will be held at the offices of the Company, 4 King Street West, Suite 401, Toronto, Ontario, Canada, M5H 1B6 on Friday, November 12, 2021 at 10:00 a.m. (Toronto Time), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the financial year ended June 30, 2021 together with the report of the auditor thereon;
2. to fix the number of directors of the Company at seven;
3. to elect seven directors of the Company for the ensuing year;
4. to appoint Baker Tilly WM LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the board of directors to fix their remuneration;
5. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the Company’s Omnibus Long-Term Incentive Plan, as more particularly described in the Circular (as hereinafter defined) and approval of the unallocated rights and entitlements under such plan;
6. to consider, and, if deemed appropriate, approve an ordinary resolution, the full text of which is set out in the Circular, to amend and restate the articles of the Company; and
7. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

### **IMPACT OF COVID-19**

**This year. To deal with the ongoing public health impact of the ongoing novel coronavirus disease pandemic (“COVID-19) and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, Shareholders of the Company are strongly encouraged listen to the Meeting via live audio webcast or teleconference instead of attending the Meeting in person. All shareholders of the Company are strongly encouraged to cast their vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Circular accompanying this Notice of Meeting.**

The specific details of the foregoing matters to be put before the Meeting are set forth in the accompanying Management Information Circular (the “**Circular**”), which is deemed to form part of this notice of meeting (“**Notice of Meeting**”). The audited consolidated financial statements and related management’s discussion and analysis (“**MD&A**”) for the Company for the financial year ended June 30, 2021 is mailed to those shareholders who have previously requested to receive them. Otherwise, they are available upon request to the Company, on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com). This Notice of Meeting is accompanied by the Circular, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders and a supplemental mailing list return card (collectively, the “**Meeting Materials**”). Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose.

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The Company has elected to use the notice-and-access provisions under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* (the “**Notice-and-Access Provisions**”) for the Meeting. Notice- and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing the Company to post the Circular and any additional materials online. Under the Notice-and-Access Provisions, instead of receiving printed copies of the Meeting Materials, Shareholders will receive a notice-and-access notification containing details of the Meeting date, location and purpose, as well as information on how they can access the Meeting Materials electronically.

The Meeting Materials will be available at [www.carbonstreaming.com](http://www.carbonstreaming.com) and under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) as of October 15, 2021. The Company will mail paper copies of the applicable Meeting Materials to those registered and beneficial Shareholders who previously elected to receive paper copies. Shareholders who wish to receive paper copies of the Meeting Materials may request copies from Odyssey Trust Company by calling +1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America) or by email at [www.odysseycontact.com](mailto:info@odysseycontact.com). If you have any questions about the information contained in the Circular, or require any assistance in completing your form of proxy, please contact the Odyssey Trust Company at the above noted number or contact the Company by e-mail at [info@carbonstreaming.com](mailto:info@carbonstreaming.com).

In order to allow for reasonable time to be allotted for a Shareholder to receive and review a paper copy of the Circular prior to the proxy deadline, any Shareholder wishing to request a paper copy of the Circular as described above should ensure such request is received no later than October 26, 2021.

The accompanying Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice of Meeting. Shareholders are reminded to review the Circular before voting. The procedures by which Shareholders may exercise their right to vote with respect to the matters at the Meeting will vary depending on whether a Shareholder is a registered Shareholder (that is, a Shareholder who holds Common Shares directly in his, her or its own name and is entered on the register of Shareholders) (“**Registered Shareholders**”) or a non-registered Shareholder (that is, a Shareholder who holds Common Shares through an intermediary such as a bank, trust company, securities dealer or broker) (“**Non-Registered Shareholders**”).

Your vote is very important to us. Registered Shareholders are entitled to vote at the Meeting or in advance of the Meeting by dating, signing and returning the enclosed form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the form of proxy must be deposited with the Company’s registrar and transfer agent, Odyssey Trust Company: (i) by mail, using the enclosed return envelope or one addressed to Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department; (ii) by hand delivery to Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8; or (iii) through the internet by using the control number located at the bottom of your form of proxy at <https://login.odysseytrust.com/pxlogin>, on or before 10:00 a.m. (Toronto time) on Wednesday, November 10, 2021 or not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

Non-Registered Shareholders must seek instructions on how to complete their voting instruction form and vote their Common Shares from their broker, trustee, financial institution or other nominee, as applicable.

Shareholders of record at the close of business on September 17, 2021 are entitled to receive notice of and vote at the Meeting.

If you are a Registered Shareholder and have any questions relating to the Meeting, please contact

Odyssey Trust Company by telephone +1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America) or by email via [www.odysseycontact.com](http://www.odysseycontact.com). If you are a Non-Registered Shareholder and have any questions relating to the Meeting, please contact your intermediary through which you hold your Common Shares or the Company at: +1-647-846-7765 or by email at [info@carbonstreaming.com](mailto:info@carbonstreaming.com).

If you are a Non-Registered Shareholder and have any questions about how to vote your shares, please contact your intermediary through which you hold your Common Shares.

**DATED** at Toronto, Ontario this 30th day of September, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
CARBON STREAMING CORPORATION**

*(signed) Justin Cochrane*

Justin Cochrane  
President & Chief Executive Officer

## **Introduction**

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Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) is providing this Management Information Circular (the “**Circular**”) and a form of proxy or voting instruction form in connection with management’s solicitation of proxies for use at the annual and special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of the Company to be held on Friday, November 12, 2021, and at any adjournments or postponements thereof at 10:00 a.m. (Toronto time) at the offices of the Company, 4 King Street West, Suite 401, Toronto, Ontario, Canada and will be available by audio webcast. Unless the context otherwise requires, when we refer in this Circular to the Company its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation, if any.

The Company may utilize the Broadridge QuickVote service to assist beneficial Shareholders with voting their Common Shares over the telephone. Broadridge then tabulates the results of all the instructions received and then provides the appropriate instructions respecting the Common Shares to be represented at the Meeting.

Only Shareholders of record at the close of business on September 17, 2021 (the “**Record Date**”) are entitled to notice of, and to attend and vote at, the Meeting. Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of such Shareholder’s Common Shares after such date, the transferee of those Common Shares will be entitled to vote those Common Shares at the Meeting instead of the transferor if, not later than 10 days before the Meeting, the transferee establishes that the transferee owns the Common Shares and requests to be included in the list of Shareholders eligible to vote at the Meeting.

## **IMPACT OF COVID-19**

**This year, to deal with the ongoing public health impact of the ongoing novel coronavirus disease pandemic (“COVID-19”) and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, Shareholders of the Company are strongly encouraged to listen to the Meeting via live audio webcast or teleconference instead of attending the Meeting in person.**

**All Shareholders of the Company are strongly encouraged to cast their vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in this Circular. Shareholders are encouraged to listen to a live broadcast of the proceedings of the Meeting, by way of conference call and audio webcast. Instructions and details on how to access the conference call and audio webcast will be made available on the Company’s website at www.carbonstreaming.com several days prior to the Meeting.**

**The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including without limitation: (i) holding the Meeting virtually or solely by means of remote communication; (ii) changing the Meeting date and/or location; and (iii) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company’s profile on SEDAR at www.sedar.com as well as on the Company’s website at www.carbonstreaming.com. We strongly recommend you check the Company’s website prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will not prepare or mail amended materials in respect of the Meeting.**

All dollar amounts referenced herein are, unless otherwise stated, expressed in Canadian dollars (being the same currency that the Company used in its June 30, 2021 financial year-end financial statements).

Information in this Circular is provided as at September 30, 2021, except as otherwise indicated.

## **Distribution of Meeting Materials**

### ***Notice and Access Notification***

The Company has elected to use the notice-and-access provisions (“**Notice-and-Access Provisions**”) under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 - *Continuous Disclosure Obligations* for the Meeting in respect of delivering the Meeting Materials (as hereinafter defined) to Shareholders.

The Notice-and-Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its Shareholders and related materials online. The Company believes this environmentally friendly process will provide Shareholders with a convenient way to access the Meeting Materials, while allowing the Company to lower the costs associated with printing and distributing the Meeting Materials.

Although the Company has elected to use the Notice-and-Access Provisions, both registered Shareholders (that is, a Shareholder who holds Common Shares directly in his, her or its own name and is entered on the register of Shareholders) (“**Registered Shareholders**”) and non-registered Shareholders (that is, a Shareholder who holds Common Shares through an intermediary such as a bank, trust company, securities dealer or broker) (“**Non-Registered Shareholders**”) will receive a package which will include either a form of proxy or a voting instruction form (“**VIF**”), among other materials. Shareholders may receive multiple packages of these Meeting Materials if a Shareholder holds Common Shares through more than one intermediary, or if a Shareholder is both a Registered Shareholder and a Non-Registered Shareholder for different shareholdings.

Should a Shareholder receive multiple packages, a Shareholder should repeat the steps to vote through a proxy, appoint a proxyholder or attend the Meeting, if desired, separately for each package to ensure that all the Common Shares from the various shareholdings are voted at the Meeting.

Pursuant to NI 54-101, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to Non-Registered Shareholders. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the above-noted documents required for this purpose.



### ***Non-Objecting Beneficial Owners***

These Meeting Materials are being sent to both Registered and Non-Registered Shareholders. Non-objecting beneficial owners are Non-Registered Shareholders who have advised their intermediary that they do not object to their intermediary disclosing ownership information to the Company. If you are a Non-Registered Shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these Meeting Materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF delivered to you. The Company does not intend to pay for intermediaries to forward Meeting Materials to objecting beneficial owners and an objecting beneficial owner will not receive Meeting Materials unless such objecting beneficial owner's intermediary assumes the cost of delivery. An objecting beneficial owner is a Non-Registered Shareholder that objects to their intermediary disclosing their ownership information.

### **General Proxy Information**

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#### **Appointment of Proxyholder**

The purpose of a proxy is to designate persons who will vote the proxy on behalf of a Shareholder in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "**Management Proxyholders**").

**A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

#### **Voting by Proxy**

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Common Shares represented by a properly executed proxy will be voted for or against or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## Completion and Return of Proxy

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department or online at <https://login.odysseytrust.com/pxlogin>, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays in the Province of Ontario, prior to the time of the Meeting, unless the Chair of the Meeting elects to exercise his discretion to accept proxies received subsequently.

**This year, to proactively deal with the unprecedented public health impact of the ongoing COVID- 19 outbreak, Registered Shareholders of the Company are respectfully asked not to attend in person at the Meeting. The Company will be strictly restricting physical access to the Meeting and only Registered Shareholders and formally appointed proxy holders will be entitled to attend. In order to comply with government orders concerning the maximum size of public gatherings and required social distancing parameters, the Company may be unable to admit Shareholders to the Meeting. See also "Impact of CO VID-19" on page 4 of this Circular.**

If you have any questions about the information contained in this Circular or require any assistance in completing your form of proxy, please contact the Company by phone at +1-647-846-7765 or by e-mail at [info@carbonstreaming.com](mailto:info@carbonstreaming.com).

## Non-Registered Holders

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to NI 54-101 and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Company has decided to take advantage of those provisions of NI 54-101 that allow it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a VIF from the Company's transfer agent, Odyssey Trust Company. These VIFs are to be completed and returned to Odyssey Trust Company in the envelope provided or by facsimile. Odyssey Trust Company will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by VIF they receive. Alternatively, NOBOs may vote following the instructions on the VIF, via the internet or by phone.

With respect to OBOs, in accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting, this Circular, the form of proxy or VIF and the supplemental mailing list request card (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a VIF which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow; or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company, Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department or online at <https://login.odysseytrust.com/pxlogin>.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of their Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person’s name in the blank space provided. Common Shares held by an Intermediary can only be voted by the Intermediary (for, withheld or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or VIF form is to be delivered.

If a Non-Registered Shareholder does not specify a choice and the Non-Registered Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

**This year, to proactively deal with the unprecedented public health impact of the ongoing COVID-19 outbreak, Non-Registered Shareholders of the Company are respectfully asked not to attend in person at the Meeting. The Company will be strictly restricting physical access to the Meeting and only Registered Shareholders and formally appointed proxy holders will be entitled to attend. In order to comply with government orders concerning the maximum size of public gatherings and required social distancing parameters, the Company may be unable to admit Shareholders to the Meeting. See also “Impact of CO VID-19” on page 4 of this Circular.**

**Revocability of Proxy**

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder, their attorney authorized in writing or, if the Registered Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournments or postponements thereof, or with the Chair of the Meeting on the day of the Meeting. Only Registered Shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their Intermediary to revoke the proxy on their behalf.

**Voting Securities and Principal Holders Thereof**

The Company is authorized to issue an unlimited number of Common Shares, of which 126,150,137 Common Shares are issued and outstanding as of September 30, 2021. Persons who are Registered Shareholders at the close of business on September 17, 2021 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Common Share held. The Company has only one class of shares.

To the knowledge of the directors (“**Directors**”) and executive officers of the Company, as of the date hereof, no persons, firms or companies beneficially own, or control or direct, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

**Particulars of Matters to be Acted Upon**

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**Election of Directors**

*Overview*

The Directors of the Company are elected at each annual meeting and hold office until the next annual meeting or until their successors are appointed. The board of directors of the Company (the “**Board**”) currently consists of six Directors; however, approval of the holders (collectively, the “**Shareholders**” and each, a “**Shareholder**”) of the Common Shares in the capital of the Company will be sought to fix the number of Directors of the Company at seven.

At the Meeting, the seven persons named hereunder will be proposed for election as Directors of the Company (the “**Nominees**” and each, a “**Nominee**”). All but one of the Nominees currently serve on the Board and each has expressed his or her willingness to serve on the Board for another term.

The Board and management consider the election of each of the Nominees to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying proxy will vote the Common Shares represented by such form of proxy, properly executed, **FOR** the election of each of the Nominees whose names are set forth below. Management does not contemplate that any of the Nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve.

*Director Profiles*

Each of the seven nominated Directors is profiled below, including his/her background and experience, areas of expertise, committee memberships, security ownership and other public companies and board committees of which he/she is a member. Information concerning each such person is based upon information furnished by the individual Nominee.

<b>Justin Cochrane</b>	<b>Director Since:</b>	<b>Committee Membership:</b>
<b>Ontario, Canada</b> <b>Age: 41</b>	June 29, 2021	None
	<b>Non-Independent</b>	
<b>Areas of Expertise:</b>	Mr. Cochrane, Director, President and Chief Executive Officer of the Company, has 20 years of royalty and stream financing, M&A and corporate finance experience. Mr. Cochrane is also the President and Chief Executive Officer of Nickel 28 Capital Corp. Mr. Cochrane was formerly the President, Chief Operating Officer and a director of Cobalt 27 Capital Corp. and formerly on the board of Nevada Copper Corp. (TSX:NCU).	
<b>Principal Occupation:</b>		
President and Chief Executive Officer of the Company	Prior to Cobalt 27, Mr. Cochrane served as the Executive Vice President and Head of Corporate Development for Sandstorm Gold Ltd. His expertise is in the structuring, negotiation, execution and funding of royalty and stream financing contracts around the world, totaling over \$2 billion across 50+ projects. Prior to Sandstorm, he spent nine years in investment banking and equity capital markets with National Bank Financial where he covered the resource, clean tech and energy technology sectors. In addition, Mr. Cochrane is currently a board member of Nickel 28 Capital Corp. and an investment committee member of Duke Royalty Limited. Mr. Cochrane is a CFA Charterholder.	
President and Chief Executive Officer of Nickel 28 Capital Corp.		
<hr/>		
<b>Other Public Company Directorships:</b>	<b>Number of securities of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>	
Nickel 28 Capital Corp. (TSXV: NKL)	<b>Common Shares:</b>	1,235,000
	<b>Warrants:</b>	1,235,000
	<b>Special Warrants<sup>(2)</sup>:</b>	125,000
	<b>Options:</b>	500,000
	<b>Restricted Share Units:</b>	500,000

**Maurice Swan**

**Ontario, Canada**  
**Age: 53**

**Director Since:**

January 27, 2021

**Independent**

**Committee Membership:**

Audit Committee  
Compensation Committee  
Corporate Governance,  
Nominating &  
Sustainability Committee

**Areas of Expertise**

Mr. Swan, the Chairman of the Board of the Company, is a lawyer and is currently the General Counsel of Superior Gold Inc. (TSXV: SGI). Until 2019, Mr. Swan was a partner at Stikeman Elliott LLP, where he practiced corporate law for over 24 years with wide ranging experience, including extensive work in debt capital markets, securitization, corporate finance, and mergers and acquisitions, and with a particular focus on transactions in the global mining and metals sector. During his years of practice, Mr. Swan earned leading lawyer accolades from publications including Lexpert, International Finance & Law Review, Who's Who Legal and Best Lawyers.

**Principal Occupation**

Lawyer

**Other Public Company Directorships:**

Nickel 28 Capital Corp. (TSXV: NKL)

**Number of securities of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup>**

**Common Shares:** 160,000

**Warrants:** 160,000

**Special Warrants®:** 75,000

**Options:** 150,000

**Restricted Share Units:** 150,000

**R. Marc Bustin**

**British Columbia, Canada**  
**Age: 69**

**Director Since:**

March 31, 2021

**Independent**

**Committee Membership:**

Audit Committee  
  
Corporate Governance,  
Nominating &  
Sustainability Committee

**Areas of Expertise:**

Dr. Bustin is Professor of Geology at the University of British Columbia, President of RMB Earth Science Consultants, and Chief Technical Officer for Renewable Geo Resources Ltd. Dr. Bustin has over 40 years' experience as a researcher, consultant and officer in companies engaged in the fields of carbon capture and storage, mineral and fossil fuel exploitation, and renewable and alternate energy resource development. Dr. Bustin has served as a director, officer and technical advisor for a variety of large and small companies in Europe, Africa, North America, South America, Australia, New Zealand and Asia. 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. Levenson 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.

**Principal Occupation:**

Professor of Geology at the University of British Columbia  
President of RMB Earth Science Consultants

Chief Technical Officer for Renewable Geo Resources Ltd.

**Other Public Company Directorships:**

BMEX Gold Inc. (TSXV: BMEX)

**Number of securities of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly(1)**

**Common Shares:** 60,000

**Warrants:** 60,000

**Options:** 50,000

**Restricted Share Units:** 50,000

**Saurabh Handa**

**British Columbia, Canada**  
**Age: 44**

**Areas of Expertise:**

**Principal Occupation:**

Chief Financial Officer of Metalla Royalty & Streaming Ltd.

**Director Since:**

March 31, 2021

**Independent**

Mr. Handa is currently the Chief Financial Officer of Metalla Royalty & Streaming Ltd., a TSX-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.

**Other Public Company Directorships:**

K92 Mining Inc. (TSX: KNT)

**Number of securities of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly(1)**

**Common Shares:** 25,000

**Options:** 50,000

**Restricted Share Units:** 50,000

**Candace MacGibbon**

**Toronto, Ontario, Canada**  
**Age: 47**

**Areas of Expertise**

**Principal Occupation**

Corporate Director

**Director Since:**

N/A

**Committee Membership:**

N/A

**Independent Director**

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 (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 Environmental, Social and Governance (“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. Ms. MacGibbon is the Osisko Gold Royalties Ltd (“**Osisko**”) board nominee. In accordance with an Investors Rights Agreement between Osisko and the Company, Osisko currently has the right to nominate one director to the board of the Company. See the AIF (as defined below) for more information about the Investors Rights Agreement.

**Other Public Company Directorships:**

Osisko Gold Royalties Ltd (TSX:OR)

**Number of securities of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly(1)**

**Common Shares:** Nil



**Special Warrants:** 100,000

**Options:** Nil

**Restricted Share Units:** Nil

**Andy Tester**  
**Oregon, United States of America**  
**Age: 46**

**Director Since:**

January 27, 2021

**Committee Membership:**

Compensation Committee

**Independent Director**

Corporate Governance,  
Nominating &  
Sustainability Committee

**Areas of Expertise:**

Mr. Tester is a naturalist and labor advocate. Over the past 20 years, he has spent the majority of his time in the Pacific Northwest and Alaska working to raise awareness on the plight of endangered salmon and steelhead runs, through guiding and other efforts to bring people to the outdoors. He is a member of the International Longshore & Warehouse Union. Mr. Tester holds a B.A. from Eastern Oregon University.

**Principal Occupation:**

**Other Public Company Directorships:**

N/A

**Number of securities of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly(1)**

**Common Shares:** Nil

**Options:** 50,000

**Restricted Share Units:** 50,000

**Jeanne Usonis**

**California, United States of America**  
**Age: 47**

**Director Since:**

March 31, 2021

**Committee Membership:**

None

**Areas of Expertise:**

**Non-Independent**

Ms. Usonis has over 20 years of corporate finance and capital markets experience. She is a Director at Regent Advisors LLC, which provides corporate advisory services for equity and debt financings, mergers and acquisitions and joint ventures. She has advised on several initial public offerings and reverse takeover transactions on Canadian and London stock exchanges. Previously, she worked at N M Rothschild & Sons (Washington) LLC where she assisted in the structuring and financing of natural resource projects in emerging market countries. Prior thereto, she worked at Salomon Smith Barney, responsible for structuring taxable and tax-exempt financings. Ms. Usonis graduated summa cum laude with a B.S. in Finance from Villanova University.

**Principal Occupation:**

Director at Regent Advisors LLC

**Other Public Company Directorships:**

N/A

**Number of securities of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly(1)**

**Common Shares:** 3,100,000

**Warrants:** 300,000

**Options:** 100,000

**Restricted Share Units:** 100,000

**Notes:**

- (1) For details concerning Options and RSUs (each term as hereinafter defined in this Circular) held by each of the above persons and the year-end “at risk” value of their Options and/or RSUs, kindly refer to the specific disclosure contained within the “Executive Compensation” section of this Circular.
- (2) Each Special Warrant is exercisable into one unit (consisting of one Common Share and one Common Share purchase warrant of the Company).

No proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and Executive Officers of the Company acting solely in such capacity.

***Voting Results of June 29, 2021 Annual Meeting***

Below are the voting results for the election of directors at the June 29, 2021 annual and special shareholders meeting:

Nominee	Votes For (%)	Votes Withheld (%)
Maurice Swan	13,768,765 Voted (99.97%)	3,500 Withheld (0.03%)
Justin Cochrane	13,768,705 Voted (99.97%)	3,560 Withheld (0.03%)
R. Marc Bustin	13,768,735 Voted (99.97%)	3,530 Withheld (0.03%)
Saurabh Handa	13,768,765 Voted (99.97%)	3,500 Withheld (0.03%)
Andy Tester	13,733,765 Voted (99.72%)	38,500 Withheld (0.28%)
Jeanne Usonis	13,768,705 Voted (99.97%)	3,560 Withheld (0.03%)

***Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

To the knowledge of the Company, other than as set out below, no proposed Director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a Director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was the subject, while the proposed Director was acting in the capacity as Director, chief executive officer or chief financial officer of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed Director ceased to be a Director, chief executive officer or chief financial officer but which resulted from an event that occurred while the proposed Director was acting in the capacity as Director, chief executive officer or chief financial officer of such company; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, 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; or
- (c) has, within the 10 years before the date of this Circular, 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 proposed Director; or

- (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 penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

Saurabh Handa was a director of Banks Island Gold Ltd. (“**Banks Island**”) from June 7, 2011 to July 28, 2015. On January 8, 2016, Banks Island 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.

#### **Appointment of Auditors**

Baker Tilly WM LLP, Chartered Professional Accountants (“**Baker Tilly**”), is the auditor of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the

accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly

executed, **FOR** the appointment of Baker Tilly as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors. Baker Tilly has served as the Company’s external auditor since July 8, 2020.

#### **Approval of Omnibus Long-Term Incentive Plan**

The following is intended as a brief description of the Company’s long-term omnibus incentive plan (the “**LTIP**” or the “**Plan**”) and is qualified in its entirety by the full text of the LTIP, which is attached as Appendix “A” to this Circular.

The Company has adopted the LTIP as a means to provide incentive to eligible Directors, officers, employees and consultants (“**Participants**”). The LTIP is a 10% “rolling” plan and the total number of Common Shares issuable upon exercise of all Awards (as defined herein) under the LTIP cannot exceed 10% of the Company’s issued and outstanding Common Shares on the date on which an Award is granted. The Plan was originally adopted by the Company on March 25, 2021 and first approved by Shareholders on June 29, 2021. The Plan was amended on September 30, 2021 in order to update certain terms to align with NEO Exchange requirements and other housekeeping matters.

The purpose of the Plan is to advance the interests of the Company by: (i) providing Participants with additional incentives; (ii) encouraging stock ownership by such Participants; (iii) increasing the proprietary interest of Participants in the success of the Company; (iv) promoting growth and profitability of the Company; (v) encouraging Participants to take into account long-term corporate performance; (vi) rewarding Participants for sustained contributions to the Company and/or significant performance achievements of the Company; and (vii) enhancing the Company’s ability to attract, retain and motivate Participants. The LTIP is administered by the Board, and Options, RSUs and PSUs (collectively, “**Awards**”) are granted thereunder at the discretion of the Board to eligible Participants.

To be eligible to receive Awards under the LTIP, a Participant must be either a Director, officer, employee, consultant, or an employee of a company providing management or other services to the Company or a subsidiary at the time the incentive is granted.

#### *Administration*

Under the Plan, the Board may, at any time, appoint a committee to, among other things, interpret, administer and implement the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with the Plan. As of the date hereof, the Board has appointed the Compensation Committee of the Board to administer and implement the Plan.

#### *Participation Limits*

- (a) The total number of Common Shares reserved for issuance under all Awards to all nonemployee directors must not exceed 1% of the Company's outstanding Common Shares at the time of grant.
- (b) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan.

#### *Option Awards*

Vesting of Options shall be at the discretion of the Board and will generally be subject to the Participant remaining as a Director, or employed by or continuing to provide services to the Company. Unless the Board determines otherwise and except as otherwise provided in a Participant's grant agreement, the LTIP provides that Options will vest as to one-third following each of the first, second and third anniversaries of the date of such grant.

The exercise price of any Option shall be fixed by the Board when such option is granted, but shall be no less than the five-day volume weighted average trading price of the Common Shares on the NEO Exchange on the day prior to the date of grant.

An Option shall be exercisable during a period established by the Board, which shall commence on the date of the grant and shall terminate no later than ten (10) years after the date of granting the option, or such shorter period of time as the Board may determine. The LTIP provides that the exercise period shall automatically be extended if the date on which such Option is scheduled to terminate shall fall during a black-out period. In such cases, the extended exercise period shall terminate ten business days following the last day of the blackout-period.

#### *Share Unit Awards (RSU and PSUs)*

RSU and PSU Awards will be subject to such conditions, vesting provisions, and performance criteria as the Board may determine for each grant; and the Board shall determine whether each Award shall entitle the Participant: (i) to receive one Common Share issued from treasury; (ii) to receive the cash equivalent of one Common Share; or (iii) to elect to receive a combination of cash and Common Shares.

With respect to RSUs, unless otherwise approved by the Board and except as otherwise provided in a Participant's grant agreement or any other provision of the LTIP, RSUs will vest as to one-third each on the first, second and third anniversary date of their grant. With respect to PSUs, unless otherwise approved by the Board and except as otherwise provided in a Participant's grant agreement or any other provision of the LTIP, PSUs will vest subject to performance and time vesting.

The following table describes the impact of certain events upon the rights of holders of Awards under the LTIP, including termination for cause, resignation, termination other than for cause, retirement and death, subject to the terms of a Participant’s employment agreement:

<b>Event Provisions</b>	<b>Provisions</b>
Termination for cause	Immediate forfeiture of all vested and unvested Awards.
Resignation	Forfeiture of all unvested Awards and the earlier of the original expiry date and 90 days after resignation, or such longer period as the Board may determine in its sole discretion.
Termination other than for cause	Subject to the terms of the grant or as determined by the Board, upon a Participant’s termination without cause, the number of Awards that may vest is subject to pro-rata over the applicable performance or vesting period.
Retirement	Upon the retirement of a Participant’s employment with the Company, any unvested Awards held as at the retirement date will continue to vest in accordance with its vesting schedule, and all vested Awards held at the retirement date may be exercised until the earlier of the expiry date of the Awards or one year following the retirement date; provided that, if the Participant breaches any post-employment restrictive covenants in favor of the Company (including non-competition or non-solicitation covenants), then any Awards held by such Participant, whether vested or unvested, will immediately expire.
Death	All unvested Awards will vest and may be exercised within 180 days after death.

In connection with a change of control of the Company, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity; provided that the Board may accelerate the vesting of Awards if: (i) the required steps to cause the conversion or exchange or replacement of Awards are impossible or impracticable to take or are not being taken by the parties required to take such steps; or (ii) the Company has entered into an agreement which, if completed, would result in a change of control and the counterparty or counterparties to such agreement require that all outstanding Awards be exercised immediately before the effective time of such transaction or terminated on or after the effective time of such transaction. If a Participant is terminated without cause or resigns for good reason during the 12-month period following a change of control, or after the Company has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Awards will immediately vest and may be exercised within 30 days of such date.

The Board may, in its sole discretion, suspend or terminate the LTIP at any time, or from time to time, amend, revise or discontinue the terms and conditions of the LTIP or of any Award granted under the LTIP and any grant agreement relating thereto, subject to any required regulatory and NEO Exchange approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP or as required by applicable laws.

### *Amendments*

The Board may amend the LTIP or any Award at any time without the consent of a Participant; provided that such amendment shall (i) not adversely alter or impair any Award previously granted, except as permitted by the terms of the LTIP, (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the NEO Exchange, and (iii) be subject to Shareholder approval, where required by law, the requirements of the NEO Exchange or the LTIP; provided, however, that Shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:

- amendments of a general housekeeping or clerical nature that, among others, clarify, correct or rectify any ambiguity, inconsistency, defective provision, error or omission in the LTIP;
- changes that alter, extend or accelerate the terms of exercise, vesting or settlement applicable to any Award;
- a change to the assignability provisions under the LTIP;
- any amendment regarding the effect of termination of a Participant's employment or engagement;
- any amendment to add or amend provisions relating to the granting of cash-settled Awards, provision of financial assistance or clawbacks;
- any amendment regarding the administration of the LTIP;
- any amendment necessary to comply with applicable law or the requirements of the NEO Exchange or any other regulatory body (provided, however, that the NEO Exchange may require Shareholder approval of any such amendments); and
- any other amendment that does not require the approval of the Shareholders,

provided that the alteration, amendment or variance does not:

- increase the maximum number of Common Shares issuable under the LTIP, other than pursuant to the adjustment provisions;
- reduce the exercise price of the Awards;
- introduce non-employee directors as eligible Participants on a discretionary basis or increases the existing limits imposed on non-employee director participation;
- remove or exceed the insider participation limit; or
- amend the amendment provisions of the LTIP.

### *Approval by Shareholders*

The approval of the LTIP will be obtained on a disinterested basis, with the votes attached to the Common Shares beneficially owned or controlled by each of the directors and officers of the Company excluded from such vote.

The Board and management consider the approval of the LTIP to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, **FOR** the approval of the LTIP.

The text of the ordinary resolution approving the LTIP is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting.

**“RESOLVED, with or without amendment, that:**

1. The Company’s Omnibus Long-Term Incentive Plan (the “**LTIP**”) as set forth in Appendix “A” to the Company’s Management Information Circular dated September 30, 2021, be and is hereby approved, ratified and confirmed;
2. All unallocated rights or other entitlements under the LTIP be and are hereby approved;
3. The Company shall have the ability to issue Common Shares under the LTIP until November 12, 2024, which date is the date that is three (3) years from the date of the Shareholder meeting at which Shareholder approval is being sought;
4. The board of directors of the Company be authorized, in its discretion, to administer the LTIP and to amend or modify the LTIP in accordance with its terms and conditions to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges or so as to meet industry standards; and
5. Any Director or officer of the Company be and is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such Director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution.”

**Approval of Amendment and Restatement of Articles**

***Overview***

In connection with an overall assessment of the Company’s existing articles and corporate policies following completion of the Company’s initial public listing on the NEO Exchange in July 2021, the Company has determined to amend and restate its articles under the BCBCA in order to update the articles to reflect recent corporate developments and best practices (such articles, the “**A&R Articles**”). A copy of the form of the A&R Articles is attached as Appendix “B” to this Circular.

The following describes material terms of the A&R Articles. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the A&R Articles. Shareholders are encouraged to make full reference to the terms of the A&R Articles attached as Appendix “B” to this Circular.



#### *Common Shares - Rank*

The Common Shares rank *pari passu* with respect to the payment of dividends, return of capital and distribution of assets in the event of our liquidation, dissolution or winding-up.

#### *Common Shares - Dividend Rights*

Shareholders are entitled to receive dividends on a *pari passu* basis out of our assets legally available for the payment of dividends at such times and in such amount and form as the Board may from time to time determine, subject to any preferential rights of the holders of any outstanding preferred shares.

#### *Common Shares - Voting Rights*

Shareholders are entitled to one vote in respect of each Common Share held at meetings of Shareholders, as described below.

#### *Common Shares - Conversion*

The Common Shares are not convertible into any other class of shares or other securities of the Company.

#### *Meetings of Shareholders*

Shareholders will be entitled to receive notice of any meeting of Shareholders and may attend and vote at such meetings, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote. A quorum for the transaction of business at a meeting of Shareholders is present if any two Shareholders who, together, hold not less than 10% of the votes attaching to our outstanding shares entitled to vote at the meeting are present in person or represented by proxy.

#### *Retraction Rights*

Shareholders will have no retraction rights.

#### *Redemption Rights*

The Company will have no redemption or mandatory purchase for cancellation rights in respect of the Common Shares.

#### *Liquidation Rights*

Upon our liquidation, dissolution or winding-up, whether voluntary or involuntary, the Shareholders, without preference or distinction, will be entitled to receive rateably all of the Company's assets remaining after payment of all debts and other liabilities.

#### *Advance Notice Provisions*

The Company's A&R Articles include certain advance notice provisions with respect to the election of directors (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a Shareholder wishing to nominate a director is required to provide the Company notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of Shareholders; provided, that if the first public announcement of the date of the annual meeting of Shareholders (the “**Notice Date**”) is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if Notice-and-Access Provisions are used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

#### ***Approval by Shareholders***

The Board and management consider the approval of the A&R Articles to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, **FOR** the approval of the A&R Articles.

The text of the ordinary resolution approving the A&R Articles is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting.

#### **“RESOLVED, with or without amendment, that:**

1. The Company’s Amended and Restated Articles as set forth in Appendix “B” to the Company’s Management Information Circular dated September 30, 2021, be and is hereby ratified and approved; and
2. Any Director or officer of the Company be and is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such Director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution.”

#### **Other Matters**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of this Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

**Executive Compensation**

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**Background**

Since June 2020, the Company’s focus has been on acquiring and investing in carbon credits in the compliance and voluntary carbon markets. From 2012 to early 2020, the Company was inactive. Over the course of the year ended July 30, 2021 (“**Fiscal 2021**”) the Company appointed a new Board and executive management team. Other than where specifically indicated below, the information set forth in this section reflects the Company’s current executive and Director compensation information.

For additional information with respect to the historical executive compensation paid by the Company to former directors and executive officers for Fiscal 2021 and prior periods, please see Appendix “C” and the Company’s Management Information Circular dated May 28, 2021 under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Named Executive Officers**

The following discussion describes the significant elements of the compensation program for the current named executive officers (“**NEOs**”) of the Company. The current NEOs for Fiscal 2021 are:

Justin Cochrane	Chief Executive Officer (“ <b>CEO</b> ”) & President of the Company
Conor Kearns	Chief Financial Officer (“ <b>CFO</b> ”) of the Company
Michael Psihogios	Chief Investment Officer
Anne Walters	General Counsel and Corporate Secretary

**Compensation Discussion and Analysis and Oversight of Compensation**

The following compensation discussion and analysis provides an overview of the process pursuant to which the Board and the Compensation Committee currently determines Director and NEO compensation.

***Overview and Philosophy***

The Company’s long-term corporate strategy is central to all of the Company’s business decisions, including around executive compensation. The Compensation Committee has been established by the Board to assist the Board in fulfilling its responsibilities relating to compensation matters, including the evaluation and approval of the Company’s compensation plans, policies and programs. The Compensation Committee ensures that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance by executive officers and other members of senior management in a manner that will enhance the sustainable profitability and growth of the Company.

All NEOs were hired in Fiscal 2021 as the Board sought to execute on the new business strategy of the Company. As the Company grows, the Company’s compensation program has been developed to continue to attract, motivate and retain high caliber executives and align their interests with sustainable profitability and growth of the Company over the long-term in a manner which is fair and reasonable to the Shareholders. The compensation program will continue to evolve along with the development of the Company.

The compensation principles of the Board and Compensation Committee going forward are as follows:

- executive officers should be compensated in a manner consistent with current industry practices and in amounts similar to those paid to like positions at comparable companies;
- individual compensation packages should align the interests of the Company and the executive, recognizing each employee’s responsibilities and the complexities of the business; and
- compensation should exhibit the value of each employee and be sufficient to not only reward, but also retain the services of each executive.

As a general rule for establishing compensation for NEOs and executive officers, the Compensation Committee will consider the compensation principles noted above as well as the executive’s performance, experience and position within the Company and the recommendations of the CEO, or in the case of the CEO, the recommendation of the Chair of the Board. The Compensation Committee uses its discretion to recommend compensation for executive officers at levels warranted by external, internal and individual circumstances.

*Compensation Risk Management*

In the course of its deliberations, the Board considers the implications of the risks associated with adopting the compensation practices in place from time to time and detect actions of management and employees of the Company that would constitute or lead to inappropriate or excessive risks. Pursuant to the Company’s Insider Trading Policy, Directors and executive officers are prohibited from purchasing financial instruments (such as prepaid variable forward contracts, equity swaps or collars) designed to hedge or offset a decrease in the market value of Common Shares.

*Compensation Consultants*

In August 2021, the Compensation Committee engaged The Bedford Consulting Group (“**Bedford**”) to review 2021 compensation practice for the Directors and executive officers of the Company, to develop a peer group for the purposes of compensation benchmarking and develop KPI’s for management. Bedford is an executive search and talent management company that provides independent compensation advice to boards and executive management.

For the purposes of the review, they identified the following peer group of public companies which would be viewed as direct competitors of senior leadership talent:

Altius Minerals	Maverix Metals
Clean Energy Fuels	Osisko Gold Royalties
EMX Royalty	Par Pacific Holdings
FuelCell Energy	Royal Gold Sandstorm
Green Plains	Gold Talos Energy
Largo Resources	

The results of Bedford’s work are expected to be incorporated into the Company’s executive compensation practices for the current fiscal year.

### ***Principal Elements of Compensation***

The Company's current compensation policies and programs for executive officers consists of a base salary/compensation, cash bonuses, Options and RSUs, and may include other customary employment benefits. Compensation of executive officers of the Company is reviewed on an annual basis and relies on, among other things, discussion of formal and informal objectives, as well as criteria, analysis and recommendations of external advisors and consultants. Options and RSUs are granted pursuant to the LTIP at the discretion of the Compensation Committee. Options and RSUs granted pursuant to the LTIP will generally vest in equal amounts over three-year periods or as otherwise determined by the Compensation Committee.

#### ***Base Salaries***

The objectives of the base salary are to provide compensation in accordance with market value, and to acknowledge the competencies and skills of individuals. The base salaries paid to the NEOs are reviewed annually by the Compensation Committee as part of the annual review of executive officers. The base salaries paid to the NEOs are not subject to the achievement of any performance criteria. The decision whether to grant an increase to the executive's base salary and the amount of any such increase are in the sole discretion of the Compensation Committee and Board.

#### ***Incentive Bonuses***

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. In determining the amounts to be awarded to the NEOs as incentive bonus compensation, the Board and the Compensation Committee give consideration to several objective and subjective factors as they deem appropriate from time to time. While the Board and the Compensation Committee have generally reviewed and taken into account the compensation of other royalty and streaming companies, historically no specific peer group has been used to determine the quantum of incentive bonuses, and no specific weight is expected to be assigned to any particular performance criterion or goal. The process of determining the amount to be paid for this element of each NEO's overall compensation is expected to be based on the achievement of certain milestones, all of which are expected to be contemplated in the Company's annual business plan. The achievement of these significant milestones is expected to significantly affect the incentive bonus compensation granted to the NEOs of the Company.

#### ***Security-Based Awards***

The objectives of the LTIP are to (i) increase participants' interest in the Company's welfare; (ii) provide incentives for participants to continue their services; (iii) reward participants for their performance of services, and (iv) provide a means through which the Company may attract and retain people to enter its employment. The Board and the Compensation Committee is expected to consider the same factors and criteria as described in the paragraph above (in respect of the cash incentive bonuses awarded to the NEOs of the Company) in determining the amounts to be awarded to the NEOs as security-based incentive bonus compensation. For additional information with respect to the LTIP, see "*Securities Authorized for Issuance under the Equity Incentive Plan*".

Performance Graph

The Common Shares were previously listed on the TSX Venture Exchange (“**TSX-V**”) under the symbol “**MNV**,” but were halted from trading and delisted from the TSX-V on May 9, 2017 following the failure of a previous management team to file statements for the fiscal year ended June 30, 2012, and corresponding MD&A and certifications. See the Company’s Annual Information Form dated September 27, 2021 (the “**AIF**”) which is available on SEDAR at [www.sedar.com](http://www.sedar.com) for more information.

On July 27, 2021, the Company’s Common Shares and the warrants issued in March 2021 (the “**March 2026 Warrants**”) begun trading on the NEO Exchange under the symbol “**NETZ**”, and “**NETZ.WT**” respectively. The following graph shows the total cumulative shareholder return for C\$100 invested in Common Shares from the period commencing on July 27, 2021 to September 30, 2021. The Company’s total shareholder return is compared with the cumulative total return of the S&P/TSX Composite index for the same period.



Summary of Compensation

The following table sets forth all annual and long-term compensation for services paid to or earned by the current NEOs for Fiscal 2021:

Name and Principal Position	Fiscal Year	Salary (\$) <sup>(2)</sup>	Share-based Awards (\$) <sup>(3)</sup>	Option-Based Awards (\$) <sup>(4)</sup>	Non-equity Incentive Plan Compensation		All Other Compensation (\$) <sup>(5)(6)</sup>	Total Compensation (\$)
					Annual incentive plan (\$)	Long-term incentive plans (\$)		
Justin Cochrane <sup>(7)</sup> Director, CEO & President	2021	111,600	500,000	125,000	Nil	Nil	124,000	860,600
	2020	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-
Conor Kearns <sup>(8)</sup> CFO	2021	93,000	300,000	75,000	Nil	Nil	12,400	480,400
	2020	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-
Michael Psihogios <sup>(9)</sup> Chief Investment Officer	2021	23,250	500,000	125,000	Nil	Nil	Nil	648,250
	2020	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-
Anne Walters <sup>(10)</sup> General Counsel & Corporate Secretary	2021	12,500	150,000	Nil	Nil	Nil	Nil	162,500
	2020	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-

Notes:

(1) All amounts paid in US\$ have been converted into C\$ based on the June 30, 2021 exchange rate: US\$1.00 for every \$1.24.

- (2) Represents the actual base salary paid in Fiscal 2021. Mr. Cochrane, Mr. Kearns, Mr. Psihogios were paid US\$90,000, US\$75,000 and US\$18,750, respectively in Fiscal 2021. The annualized salaries of Mr. Cochrane, Mr. Kearns, Mr. Psihogios and Ms. Walters are US\$180,000, US\$150,000, US\$180,000 and \$180,000, respectively.
- (3) The value of RSUs is calculated using the last private placement price of Company's Common Shares prior to June 30, 2021 (\$1.00).
- (4) The value of Options is calculated using the last private placement price of Common Shares prior to June 30, 2021 (\$1.00) less the respective exercise prices of the Options multiplied by the number of Options outstanding.
- (5) The Company does not currently offer a pension plan.
- (6) As per Mr. Cochrane's employment agreement, he was paid a US\$100,000 one-time payment for past services rendered to the Company. As per Mr. Kearns' employment agreement, he was paid a US\$10,000 one-time payment for past services rendered to the Company.
- (7) Mr. Cochrane was appointed President & CEO effective January 27, 2021.
- (8) Mr. Kearns was appointed CFO effective January 27, 2021.
- (9) Mr. Psihogios was appointed Chief Investment Officer effective May 24, 2021.
- (10) Ms. Walters was appointed General Counsel & Corporate Secretary effective June 7, 2021.

Over the course of Fiscal 2021, the Company appointed a new Board and executive management team. The following table sets forth all annual and long-term compensation for services paid to or earned by the former NEOs of the Company prior to the reorganization of the Board and executive management team in Fiscal 2021:

Name and Principal Position	Fiscal Year	Salary (\$)	Non-equity Incentive Plan Compensation				All Other Compensation (\$)	Total Compensation (\$)
			Share-based Awards (\$)	Option-Based Awards (\$)	Annual incentive plan (\$)	Long-term incentive plans (\$)		
Richard Redfern <sup>(1)</sup> <i>Former CEO &amp; Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	7,500	Nil	Nil	Nil	Nil	Nil	7,500
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mark Gelmon <sup>(2)</sup> <i>Former CFO</i>	2021	10,000	Nil	Nil	Nil	Nil	Nil	10,000
	2020	15,000	Nil	Nil	Nil	Nil	Nil	15,000
	2019	-	-	-	-	-	-	-

Notes:

- (1) Mr. Redfern was appointed as a director and CEO on September 22, 2004. Formerly served as interim CFO. Resigned as CEO and director on August 4, 2020.
- (2) Mr. Gelmon was appointed CFO on May 21, 2020. Resigned as CFO on February 8, 2021.

For additional information with respect to the historical executive compensation paid by the Company to former Directors and executive officers for Fiscal 2021 and prior periods, please see Appendix "C" and the Company's Management Information Circular dated May 28, 2021 under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

***Employment Agreements, Termination and Change of Control Benefits***

The Company has written employment agreements with each of our current NEOs and each executive is entitled to receive compensation established by us as well as other benefits in accordance with plans available to our most senior employees.

During Fiscal 2021, the Company entered into an employment agreement with each of Justin Cochrane, Conor Kearns, Michael Psihogios and Anne Walters setting forth the terms and conditions of each of their employment as the Company's President & Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and General Counsel, respectively. Each employment agreement provides for each of their initial base salary, annualized base salary, bonus payments, expenses, and which includes, among other things, provisions regarding confidentiality, non-competition and non-solicitation, as well as eligibility to participate in the benefit plans. Each NEO's employment agreement provides that if the NEO's employment is terminated by the Company without cause, the NEO will be entitled to have his or her annualized base salary, bonus and benefits continue for two years following termination (one year for Ms. Walters) and all equity or equity-based compensation received shall fully vest. In the event that the NEO's employment is terminated by the Company with cause, the NEO will be entitled to have his or her annualized salary and benefits continue until the date on which the NEO ceases to be employed.

Each NEO's employment agreement also provides that if there is a change of control event (as such term is defined in their respective employment agreements) and the NEO is terminated, or the NEO elects to terminate his or her employment agreement following a Change of Control, the NEO will be entitled to have his or her annualized base salary, bonus and benefits continue for two years following termination and all equity or equity-based compensation received shall fully vest.

The table below shows the incremental payments that would be made to each NEO under the terms of their respective employment agreement upon the occurrence of certain events, if such events were to occur on June 30, 2021. The actual amount of the payout upon identified termination events can only be determined at the time of occurrence.

<b>Name and Principal Position</b>	<b>Change of Control Payment (\$) <sup>(1)(2)(3)(4)</sup></b>	<b>Termination without Cause (\$) <sup>(1)(2)(3)(4)</sup></b>
Justin Cochrane <i>President &amp; Chief Executive Officer</i>	1,071,400	1,071,400
Conor Kearns <i>Chief Financial Officer</i>	747,000	747,000
Michael Psihogios <i>Chief Investment Officer</i>	1,071,400	1,071,400
Anne Walters <i>General Counsel &amp; Corporate Secretary</i>	510,000	330,000

Notes:

- (1) All amounts paid in US\$ have been converted into C\$ based on the June 30, 2021 exchange rate: US\$1.00 for every \$1.24.
- (2) Payments are calculated based on the annualized base salary paid to NEOs, which will continue for one or two years (as the case may be) subsequent to the date on which the NEO ceases to be employed. The annualized salaries of Mr. Cochrane, Mr. Kearns, Mr. Psihogios and Ms. Walters are US\$180,000, US\$150,000, US\$180,000 and \$180,000, respectively.
- (3) Assumes full vesting of all RSUs and Options. The value of RSUs is calculated using the last private placement price of Common Shares prior to June 30, 2021 (\$1.00) and the value of Options is calculated using the last private placement price of Common Shares prior to June 30, 2021 (\$1.00) less the respective exercise prices of the Options multiplied by the number of Options outstanding.
- (4) Benefits available to the NEO will continue for one or two years, as the case may be, subsequent to the date on which the NEO ceases to be employed by the Company.



**Outstanding Option-Based Awards and Share-Based Awards**

The following table sets forth the RSUs and Options granted under the LTIP to each of the NEOs as of June 30, 2021.

Name	Option-based Awards		Option Expiration Date	Value of Unexercised in-the-money Options <sup>(1)</sup> (\$)	Share-based Awards		
	Securities Under Options Granted (#)	Option Exercise Price (\$)			Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Justin Cochrane <i>President &amp; CEO</i>	500,000	0.75	Mar 31, 2026	125,000	500,000	500,000	Nil
Conor Kearns <i>CFO</i>	300,000	0.75	Mar 31, 2026	75,000	300,000	300,000	Nil
Michael Psihogios <i>Chief Investment Officer</i>	500,000	0.75	Mar 31, 2026	125,000	500,000	500,000	Nil
Anne Walters <i>General Counsel</i>	150,000	1.00	Jun 7, 2026	Nil	150,000	150,000	Nil

Notes:

- (1) The “value of unexercised in the money Options” is calculated using the last private placement price of Common Shares prior to June 30, 2021 (\$1.00) less the respective exercise prices of the Options multiplied by the number of Options outstanding.
- (2) The “market or payout value of share-based awards that have not vested” is calculated using the last private placement price of Common Shares prior to June 30, 2021.

**Options Exercised and Outstanding - Value Vested or Earned During the Year**

The following table sets out, for each NEO, the expected value of all LTIP awards that vested or were earned during Fiscal 2021, for each of the NEOs:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Justin Cochrane <i>President &amp; CEO</i>	125,000	Nil	Nil
Conor Kearns <i>CFO</i>	75,000	Nil	Nil
Michael Psihogios <i>Chief Investment Officer</i>	125,000	Nil	Nil
Anne Walters <i>General Counsel</i>	Nil	Nil	Nil

Notes:

- (1) The “Option-based awards - Value vested during the year” is calculated using the last private placement price of Common Shares prior to June 30, 2021 (\$1.00) less the respective exercise prices of the Options multiplied by the number of Options outstanding.

Director Compensation

General

The following discussion describes the significant elements of the compensation program for members of the Board and its committees. The compensation of our Directors is designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of our Shareholders. Directors who are employees of the Company will not be entitled to receive any compensation for his or her service as a Director of our Board.

Director Compensation

Our director compensation program is designed to attract and retain global talent to serve on our Board, taking into account the risks and responsibilities of being an effective Director. Our objective regarding director compensation is to follow best practices with respect to compensation. We believe that our approach has helped attract, and will continue to help to attract and retain, strong members for our Board who will be able to fulfill their fiduciary responsibilities without competing interests.

Compensation for all non-executive directors is comprised of cash and share-based Awards granted under the LTIP, including RSUs and Options. The total non-executive director retainer for all Board and committee meetings attended by a Director, is deemed to be full payment for the role of Director. The exception to this approach would be in the event of a merger or acquisition, or other special circumstance that required more meetings than are typically required, in which case a “special” fee may be granted. At this time a retainer premium is not provided to committee chairs.

As at the end of Fiscal 2021, the fee schedule for the Company’s non-executive directors was as follows:

	Compensation	Share-Based Awards
Board Retainer	US\$36,000	Discretionary

Directors who are employees of the Company will not receive any compensation for serving on the Board; however, all Directors will be reimbursed for any out-of-pocket expenses incurred in connection with attending Board or committee meetings.

The following table discloses the compensation paid or payable, directly or indirectly, by or on behalf of the Company during Fiscal 2021 to its current Directors<sup>(1)</sup>:

Name	Fees Earned <sup>(2)</sup> (\$)	Share Based Awards <sup>(3)</sup> (\$)	Option Based Awards <sup>(4)</sup> (\$)	Non-equity Incentive Plan Compensation <sup>(5)</sup> (\$)	All Other Compensation <sup>(6)</sup> (\$)	Total (\$)
Justin Cochrane	N/A	N/A	N/A	N/A	N/A	N/A
Maurice Swan	18,600	150,000	37,500	N/A	N/A	206,100
Andy Tester	18,600	50,000	12,500	N/A	N/A	81,100
Saurabh Handa	11,160	50,000	12,500	N/A	N/A	73,660
R. Marc Bustin	11,160	50,000	12,500	N/A	N/A	73,660
Jeanne Usonis	136,400	100,000	25,000	N/A	N/A	261,400

Notes:

(1) All amounts paid in US\$ have been converted into C\$ based on the June 30, 2021 exchange rate: US\$1.00 for every \$1.24.

- (2) Represents the actual fees earned in Fiscal 2021. Mr. Swan and Mr. Tester were paid US\$15,000, Mr. Handa and Mr. Bustin were paid US\$9,000 and Ms. Usonis was paid US\$110,000, which includes amounts for consulting fees in Fiscal 2021.
- (3) The value of RSUs is calculated using the last private placement price of Common Shares prior to June 30, 2021(\$1.00).
- (4) The value of Options is calculated using the last private placement price of Common Shares prior to June 30, 2021 (\$1.00) less the respective exercise prices of the Options multiplied by the number of Options outstanding.
- (5) Directors do not receive any non-equity incentive plan compensation.
- (6) Directors do not receive pension benefits.

For information related to the Company’s former directors, please see Appendix “C”.

**Securities Authorized for Issuance Under the Equity Incentive Plan**

The Company has adopted the LTIP as a means to provide incentive to eligible Participants (comprising the Company’s Directors, officers, employees and consultants). The LTIP is a 10% rolling plan and the total number of Common Shares issuable upon exercise of all Awards (as defined herein) under the LTIP cannot exceed 10% of the Company’s issued and outstanding Common Shares on the date on which an Award is granted. The Plan was originally adopted by the Company on March 25, 2021 and first approved by Shareholders on June 29, 2021. The Plan was amended on September 30, 2021 in order to update certain terms to align with NEO Exchange requirements and other housekeeping matters.

The following table sets forth information concerning the number of Common Shares reserved for issuance under the Plan as at June 30, 2021:

Plan Category	Number of securities to be issued upon the exercise of outstanding Awards <sup>(1)(2)</sup> (\$)	Weighted-average exercise price of all outstanding Awards <sup>(3)</sup> (\$)	Number of securities remaining available for issuance under the Plan (excluding securities reflected in column (a)) <sup>(4)</sup> (\$)
Equity compensation plan approved by shareholders	5,700,000	\$ 0.77	4,636,424

Notes:

- (1) As at June 30, 2021, there were 3,200,000 Options, 2,500,000 RSUs outstanding and nil PSUs outstanding.
- (2) Based on the assumption that all outstanding RSUs as of June 30, 2021 were settled in Common Shares.
- (3) Only includes exercise price for Options outstanding.
- (4) The total number of securities remaining available for future issuance under the Plan as of June 30, 2021 was equal to 10% of the number of Common Shares outstanding (10,336,424 Common Shares), less the number of Awards granted as of such date (5,700,000 Awards).

**Description of the Plan**

For a summary of the material terms of the LTIP, see “Particulars of Matters to be Acted Upon - Approval of Omnibus Long-Term Incentive Plan”.

**Corporate Governance Overview**

The following overview of the Company’s current corporate governance policies and has been prepared in accordance with the requirements of both National Policy 58-201 - *Corporate Governance Guidelines* (the “**Governance Guidelines**”) and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (the “**Governance Disclosure Rule**”). The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of Board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its security holders for the purpose of electing Directors, specified disclosure of its corporate governance practices must be included in its management information circular.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and Shareholders. The Company’s approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its responsibilities directly and through its sub-committees at regularly scheduled meetings or as required. The Board meets at least once every quarter to review the Company’s business operations, corporate governance matters, financial results and other items. The frequency of meetings may be increased, and the nature of the agenda items may be changed, depending upon the state of the Company’s affairs and in light of opportunities or risks which the Company faces. The Directors are kept informed of the Company’s operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

**Board of Directors**

***Role of the Board***

The duties and responsibilities of the Board are to supervise the management of the business and affairs of the Company and to act with a view towards the best interests of the Company. The Board is responsible for the oversight and review of the development of, among other things, the following matters:

- the strategic planning process of the Company;
- an annual strategic plan for the Company which takes into consideration, among other things, the risks and opportunities of the Company’s business;
- identifying the principal risks of the Company’s business and ensuring the implementation of appropriate systems to manage these risks;
- annual capital and operating budgets which support the Company’s ability to meet its strategic objectives;
- material acquisitions and divestitures;
- succession planning, including appointing, training and monitoring the development of senior management;

- establish process for the Company to facilitate communications with investors and other interested parties;
- a reporting system which accurately measures the Company’s performance against its business plan; and
- the integrity of the Company’s internal control and management information systems.

The operations of the Company do not support a large Board and the Board has determined that the proposed constitution of the Board following completion of the Meeting is appropriate for the Company’s current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members.

***Independence of the Board***

The Board is currently composed of six Directors: Maurice Swan, Justin Cochrane, R. Marc Bustin, Saurabh Handa, Andy Tester and Jeanne Usonis. Candace MacGibbon is also considered independent. The Board facilitates its exercise of independent supervision over management by ensuring sufficient representation by Directors independent of management.

The Governance Guidelines suggest that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest, business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding.

The independent Directors may meet separately from the non-independent Directors, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent Directors. Maurice Swan, an independent Director, is the Chair of the Board. Given the relative size of the Company’s activities, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management. Kindly refer to the below independence chart in respect of the Board:

Director/Nominee	Independent	Reason, if not independent
Maurice Swan	Yes	N/A
Justin Cochrane	No	President and CEO of the Company
R. Marc Bustin	Yes	N/A
Saurabh Handa	Yes	N/A
Candace MacGibbon	Yes	N/A
Andy Tester	Yes	N/A
Jeanne Usonis	No	Provides consulting services to the Company
32		

The Board has considered the relationships of each of the Directors to the Company and determined that four of the six members of the current Board, all of whom are Nominees, qualify as independent Directors. The Board reviews independence on at least an annual basis, in light of the requirements of the Governance Guidelines and the Governance Disclosure Rule. None of the independent Directors has a material relationship with the Company which could impact their ability to make independent decisions.

At all scheduled meetings, the independent Directors are afforded the opportunity to hold formal and informal in camera sessions, during which sessions non-independent Directors/members of management are excused. The Board will also excuse members of management and conflicted Directors from all or a portion of any such meeting(s) where a conflict or potential conflict of interest arises or where otherwise deemed appropriate.

***Participation of Directors in Other Reporting Issuers***

The participation of the Directors in other reporting issuers is described in each Director profile provided under “*Particulars of Matters to be Acted Upon - Election of Directors*” in this Circular. The Corporate Governance, Nominating and Sustainability Committee reviews and assesses, on a regular basis, the number of outside directorships and executive positions held by the Company’s Directors and will consider whether each Director in question will be reasonably able to meet his/her duties in light of the responsibilities associated with fulfilling his/her duties as a Director of the Company as well as whether conflicts of interest will arise on as a result of any outside directorships or outside executive positions. Having regard to their qualifications, attendance record and valuable contribution as members of the Company’s Board/committees, the Board has determined that none of the Directors are over boarded as a result of their outside directorships.

***Meeting Attendance***

The table below presents the Director attendance at Board and committee meetings held during Fiscal 2021. In light of the COVID-19 pandemic, the majority of the business of the Board and its committees was conducted by way of consent resolution under applicable law and informal discussion in lieu of formal meetings.

Director	Board		Audit Committee		Compensation Committee <sup>(1)</sup>		CGNSC Committee <sup>(2)</sup>	
	#	%	#	%	#	%	#	%
Justin Cochrane <sup>(3)</sup>	1/1	100%	-	-	-	-	-	-
Maurice Swan <sup>(4)</sup>	4/4	100%	2/2	100%	1/1	100%	1/1	100%
R. Marc Bustin <sup>(5)</sup>	4/4	100%	2/2	100%	-	-	1/1	100%
Saurabh Handa <sup>(5)</sup>	4/4	100%	2/2	100%	1/1	100%	-	-
Andy Tester	3/4	75%	-	-	1/1	100%	1/1	100%
Jeanne Usonis	4/4	100%	-	-	-	-	-	-

**Notes:**

(1) The Compensation Committee was constituted on April 6, 2021.

- (2) The Corporate Governance, Nominating and Sustainability Committee was constituted on April 6, 2021.
- (3) Mr. Cochrane was reappointed to the Board on June 29, 2021.
- (4) Mr. Swan joined the Audit Committee on January 27, 2021.
- (5) Mr. Bustin and Mr. Handa joined the Audit Committee on April 6, 2021.

### ***Board Mandate***

The Board, either directly or through its committees, is responsible for the supervision of management of the Company's business and affairs with the objective of enhancing Shareholder value. In order to facilitate the exercise of independent judgment in carrying out the Board's responsibilities, the Board has adopted a written mandate (the "**Mandate**") that sets forth in detail the responsibilities and obligations of the Board. The Mandate is reviewed at least annually and updated as necessary. The Mandate is attached hereto as Appendix "C" and is also available on the Company's website at [www.carbonstreaming.com](http://www.carbonstreaming.com).

### ***Position Descriptions***

The Board has adopted written position descriptions for the Chair of the Board and for the chair of each of the Board's committees with respect to the conduct of meetings of the Board and meetings of its committees. The Chair of the Board and committee chair's role and responsibilities in each instance include reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The Board has adopted a written position description for the CEO. The CEO's general roles and responsibilities are commensurate with the position of CEO of a company comparable in business and size to the Company including overseeing all operations of the Company, and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

### ***Orientation and Continuing Education***

The Corporate Governance, Nominating and Sustainability Committee is responsible for the orientation and continuing education of the members of the Board. As new Directors join the Board, they are provided with, among other things, corporate policies, historical information about the Company, information on the Company's performance and its strategic plan and an outline of the general duties and responsibilities entailed in carrying out their duties.

The Company encourages Directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance, climate finance, sustainability governance and related matters. Each Director of the Company has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a Director.

### ***Ethical Business Conduct***

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. In connection with its commitment to ensuring the ethical operation of the Company, the Board has adopted a code of business conduct and ethics (the "**Code**"), a copy of which is available under the Company's profile at [www.sedar.com](http://www.sedar.com) and on the Company's website. Any reports of variance from the Code are to be reported to the Board and/or Audit Committee.

The Board will monitor compliance with the Code through reports of management to the Audit Committee and requires that all Directors, officers and employees provide an annual certification of compliance with the Code. A Director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the Director becomes aware of it. In situations where a Director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such Director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the BCBCA regarding conflicts of interest.

The Board has also adopted a whistleblower policy to provide employees, clients and contractors with the ability to report, on a confidential and anonymous basis, any violation within the Company including (but not limited to), criminal conduct, falsification of financial records or unethical conduct. The Board believes that providing a forum for employees, clients, contractors, officers and Directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.

### ***Board Assessments***

To date, a formal process of assessing the Board and its committees, or the independent Directors has not been implemented, and the Board has satisfied itself that the Board, its committees and individual Directors are performing effectively through informal discussions. The Corporate Governance, Nominating and Sustainability Committee continues to review proposed procedures to evaluate the performance and effectiveness of the Board, its committees and the contributions of individual Directors.

The Corporate Governance, Nominating and Sustainability Committee will also take reasonable steps to evaluate and assess, on an annual basis, Directors' performance and the effectiveness of the Board, its committees, the individual Directors, the Chair of the Board and the committee chairs. The assessment will address, among other things, individual Director independence, individual Director and overall Board skills and individual Director financial literacy. The Board will continue to receive and consider the recommendations from the Corporate Governance, Nominating and Sustainability Committee regarding the results of such evaluations.

### ***Majority Voting Policy***

The Company has adopted a majority voting policy which requires that any nominee for Director who receives a greater number of votes withheld than for his or her election shall tender his or her resignation to the chair of the Board following the meeting of Shareholders at which the Directors were elected. This policy only applies to uncontested elections, meaning elections where the number of nominees for Director is equal to the number of Directors being elected. The Corporate Governance, Nominating and Sustainability Committee and the Board shall consider the resignation, and whether or not it should be accepted. In doing so, the Corporate Governance, Nominating and Sustainability Committee shall accept the resignation, absent exceptional circumstances (such as the effect such resignation may have on the Company's ability to comply with applicable corporate or securities law requirements, applicable regulations, corporate governance rules or policies or commercial agreements regarding the composition). The nominee shall not attend any committee or Board deliberations pertaining to the consideration of the resignation. Resignations are expected to be promptly accepted except in situations where extraordinary circumstances warrant the applicable Director continuing to serve as a member of the Board. The Board shall disclose its election decision, via press release, within 90 days of the applicable meeting at which Directors were elected.



Subject to any applicable corporate law restrictions or requirements and the articles of the Company, if a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual general meeting of Shareholders. Alternatively, it may fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of Shareholders, or it may call a special meeting of Shareholders at which there will be presented a management nominee or nominees to fill the vacant position or positions.

#### ***Director Term Limits and Board Renewal***

The Board has not adopted Director term limits or other mechanisms of board renewal because:

- the imposition of Director term limits implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination;
- it is important to ensure that Directors with significant and unique business experience in the Company's industry are retained;
- Directors with the level of understanding of the Company's business, history and culture acquired through long service on the Board provide additional value; and
- term limits have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and thereby may provide an increasing contribution to the Board as a whole.

#### ***Board and Executive Leadership***

##### ***Role of the CEO***

The CEO has overall responsibility for providing leadership and vision to develop business plans that meet the Company's corporate objectives and day-to-day management of the operations of the Company. The CEO is tasked with ensuring that the Company is effectively carrying out the strategic plan approved by the Board, developing and monitoring key business risks and ensuring that the Company has appropriate policies and procedures in place to ensure the accuracy, completeness, integrity and appropriate disclosure of the financial statements and other financial information of the Company and, together with the CFO, he is responsible for establishing and maintaining appropriate internal controls over financial reporting, disclosure controls and procedures and, as required, processes for the certification of public disclosure documents. The CEO is the Company's principal spokesperson to the media, investors and the public.

##### ***Role of the Chair***

The Board has appointed Maurice Swan, an independent member of the Board, as the Chair of the Board. Mr. Swan's primary roles are to chair all meetings of the Board and Shareholders and to manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities. These responsibilities include setting the meeting agendas, ensuring that the Board works together as a cohesive team with open communication and assisting the

Board, the committees of the Board, individual Directors and the Company's senior officers in understanding and discharging their obligations under the Company's system of corporate governance.

### ***Expectations of Management***

The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

### ***Nomination of Directors***

The Corporate Governance, Nominating and Sustainability Committee has responsibility for leading the process for identifying and recruiting potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives in the industry sector and carbon markets are consulted for possible candidates.

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources, management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

### ***Compensation of Directors and Officers***

Please refer to the comprehensive discussion contained within the "*Executive Compensation — Compensation Discussion and Analysis and Oversight of Compensation*" section of this Circular for information regarding compensation of the Company's NEOs.

For specific details regarding compensation of the Company's Directors, please refer to the "*Executive Compensation — Compensation Discussion and Analysis and Oversight of Compensation - Summary of Compensation*" section of this Circular.

### ***Diversity Policy and Representation of Women on the Board***

The Company is committed to creating and maintaining a culture of workplace diversity. Management of the Company will promote a work environment that values and utilizes the contributions of women and men, equally, with a variety of backgrounds, experiences and perspectives. The Board will monitor the Company's performance in meeting the standards outlined in a diversity policy that is intended to be adopted in the future, which will include an annual review of any diversity initiatives established by management and the Board and the progress in achieving them. The Board will monitor the effectiveness of such diversity policy through ongoing discussions with management and review of diversity within the Company at both the Board and employee level.

As at the date of this Circular, there is one female Director on the Board (17%) and there is one female executive officer (25%). Assuming the election of the Directors at the Meeting, there will be two female Directors on the Board (29%) and one female executive officer (25%). The Company has not adopted formal targets regarding the number of women to be elected to the Board or to be appointed to executive officer positions and the Company does not have written policies regarding the identification and nomination of female Director candidates for election to the Board.

The Corporate Governance, Nominating and Sustainability Committee is focused on finding the most qualified individuals available with skills and experience that will complement the Board and assist it in providing strong stewardship for the Company, with gender being only one of many factors taken into consideration when evaluating individuals as potential Directors. The Company is similarly focused on seeking the most qualified individuals with skills and experience that will be of greatest benefit to the Company, with gender being only one of many factors taken into consideration when evaluating individuals for senior management positions. This approach is believed to be in the best interests of the Company and its stakeholders.

## **Committee Information**

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The Company has three committees at present, being the Audit Committee, the Compensation Committee and the Corporate Governance, Nominating and Sustainability Committee.

Each committee has a charter setting out its specific functions and responsibilities, has a chair who is responsible for providing effective leadership of the committee, facilitating the committee's operations and deliberations and overseeing the satisfaction of the committee's functions and responsibilities under its charter, including reporting the activities of the committee to the Board and has authority to engage external advisors as needed.

Each committee charter is available on the Company's website at [www.carbonstreaming.com](http://www.carbonstreaming.com). The Board has also developed a written mandate for the chair of the Board, Board committee chairs and the CEO. These mandates set out the primary functions and responsibilities of each position.

### **Audit Committee**

In April 2021, the Audit Committee was re-constituted by the Board and is presently comprised of Saurabh Handa (Chair), R. Marc Bustin and Maurice Swan. Each of the members of the Audit Committee is independent within the meaning of National Instrument 52-110 - *Audit Committees* ("NI 52-110") and Corporate Governance Rules.

Each member of the Audit Committee is financially literate for the purposes of NI 52-110. For further information regarding the experience of the members of the Audit Committee see "Audit Committee Information" in the Company's AIF.

The Audit Committee's mandate is to, among other things, oversee the Company's financial reporting, including the audits of the Company's financial statements. In addition to any other duties and authorities delegated to it by the Board from time to time, the Audit Committee's mandate includes:

- reviewing and recommending to the Board, on a non-binding basis, changes to its mandate, as considered appropriate from time to time;
- reviewing the integrity of the Company's financial reporting process and the adequacy of the Company's internal control system;
- reviewing and discussing with management and the independent auditor any major issues regarding accounting principles and financial statement presentation;
- recommending to the Board the nomination of the external auditor for Shareholder approval, and review of fees and other compensation paid to the external auditor;
- reviewing and discussing with management and the independent auditor the Company's annual audited financial statements and quarterly financial statements and financial and other data contained therein to be filed on an annual or quarterly basis under National Instrument 51-102 - *Continuous Disclosure Obligations*; and
- reviewing the program of risk assessment and steps taken to address significant risks or exposures of all types.

### **Compensation Committee**

In April 2021, the Compensation Committee was formed by the Board and is presently comprised of Maurice Swan (Chair), Saurabh Handa and Andy Tester. Each of the members of the Compensation Committee is independent within the meaning of the Corporate Governance Rule.

The Compensation Committee's mandate is to, among other things, assess and formulate and make recommendations to the Board in respect of compensation issues related to the Company's officers and employees and compensation issues relating to the Directors. In addition to any other duties and authorities delegated to it by the Board from time to time, the Compensation Committee's mandate includes:

- reviewing and recommending to the Board, on a non-binding basis, changes to its mandate, as considered appropriate from time to time;
- reviewing and making recommendations to the Board on the Company's general compensation philosophy and overseeing the development and administration of compensation programs;
- reviewing the senior management and Board compensation policies and/or practices followed by the Company and seeking to ensure such policies are designed to recognize and reward performance and establish a compensation framework, which results in the effective development and execution of a Board-approved strategy;
- annually reviewing and recommending to the Board an evaluation of the performance of senior executives and providing recommendations for annual compensation based on such evaluation and other appropriate factors;

- administering the equity-based compensation plan;
- regularly reviewing the equity-based compensation plan and, in its discretion, making recommendations to the Board for consideration;
- identifying any compensation plans or practices that could encourage senior executives or other individuals to take inappropriate or excessive risks;
- identifying any other risks that may arise from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company;
- overseeing and approving a report prepared by management on senior executive compensation on an annual basis in connection with the preparation of the annual management information circular or as otherwise required pursuant to applicable securities laws;
- reviewing and recommending to the Board the compensation of the Board members; and
- reviewing annually the effectiveness of the CEO and, in consultation with the CEO, other senior management and other executive officers, including their contributions, performance and qualifications.

## **Corporate Governance, Nominating and Sustainability Committee**

In April 2021, the Corporate Governance, Nominating and Sustainability Committee was formed by the Board and is presently comprised of Andy Tester (Chair), R. Marc Bustin and Maurice Swan. Each of the members of the Corporate Governance, Nominating and Sustainability Committee is independent within the meaning of the Governance Disclosure Rule.

The Corporate Governance, Nominating and Sustainability Committee's mandate is to, among other things, assess and formulate and make recommendations to the Board in respect of corporate governance and other issues relating to the Directors. In addition to any other duties and authorities delegated to it by the Board from time to time, the Corporate Governance, Nominating and Sustainability Committee mandate includes:

- reviewing and recommending to the Board, on a non-binding basis, changes to its mandate, as considered appropriate from time to time;
- overseeing the preparation of and recommending to the Board any required disclosures of governance practices to be included in any disclosure document of the Company, as required;
- reviewing, on a periodic basis, the size and composition of the Board, making recommendations as to the number of independent Directors and advising the Board on filling vacancies;
- facilitating the independent functioning of the Board, including by assessing which Directors are independent Directors;
- assessing, annually, the effectiveness of the Chair of the Board, the Board as a whole, all committees of the Board;
- reviewing, on a periodic basis, the Code, recommending to the Board any changes thereto as considered appropriate from time to time, ensuring that management has established a system to monitor compliance with the Code, and reviewing management's monitoring of the Company's compliance with the Code;
- when required, review with management the Company's strategies and reporting related to ESG and identify critical issues, changes and risk associated with ESG matters;
- reviewing, on a periodic basis, senior management succession plans; and
- considering, in recommending to the Board suitable candidates to be nominated for election as Directors at the next annual meeting of Shareholders.

## **Additional Information**

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### **Indebtedness of Directors, Executive Officers and Others**

None of the Company's Directors, Nominees for Director, executive officers or employees, or former Directors, executive officers or employees, nor any associate of such individuals, is as at the date hereof, or has been, during the year ended June 30, 2021, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of any of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

### **Interest of Informed Persons in Material Transactions**

Other than as set forth in this Circular and except for the fact that certain Directors and officers are Shareholders, no informed person (as defined in NI 51-102) of the Company or proposed Director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial period or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

### **Interest of Certain Persons or Companies in Matters to be Acted Upon**

Other than the election of Directors, no: (a) person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial period; (b) proposed Nominee for election as a Director of the Company; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### **Other Information**

Additional information relating to the Company can be found at the Company's website at

[www.carbonstreaming.com](http://www.carbonstreaming.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's audited consolidated financial statements and related MD&A for its most recently completed financial year ended June 30, 2021 which are filed on SEDAR. Shareholders may contact the Company by phone at +1-647-846-7765 or by e-mail at [info@carbonstreaming.com](mailto:info@carbonstreaming.com) to request copies of these documents.

Directors' Approval

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The contents of this Circular and the sending thereof to Shareholders have been approved by the Board.

**DATED** at Toronto, Ontario this 30th day of September, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
CARBON STREAMING CORPORATION**

*(signed) Justin Cochrane*

Justin Cochrane  
President & Chief Executive Officer

**APPENDIX “A”  
OMNIBUS LONG-TERM INCENTIVE PLAN**

See attached.



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**CARBON STREAMING CORPORATION**  
**OMNIBUS LONG-TERM INCENTIVE PLAN**

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**March 25, 2021**  
**(as amended September 30, 2021)**

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**CARBON STREAMING CORPORATION**  
**OMNIBUS LONG-TERM INCENTIVE PLAN**

Carbon Streaming Corporation (the “**Corporation**”) hereby establishes an Omnibus Long-Term Incentive Plan for certain qualified directors, officers, employees, consultants and management company employees providing ongoing services to the Corporation and its Affiliates (as defined herein) that can have a significant impact on the Corporation’s long-term results.

**ARTICLE 1—DEFINITIONS**

**Section 1.1 Definitions.**

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Affiliates**” has the meaning given to this term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time;

“**Awards**” means Options, RSUs and PSUs granted to a Participant pursuant to the terms of the Plan;

“**Award Agreement**” means an Option Agreement, RSU Agreement, PSU Agreement, or an Employment Agreement, as the context requires;

“**Black-Out Period**” means the period of time required by applicable law when, pursuant to any policies or determinations of the Corporation, securities of the Corporation may not be traded by Insiders or other specified persons;

“**Board**” means the board of directors of the Corporation as constituted from time to time;

“**Broker**” has the meaning ascribed thereto in Section 7.4(2) hereof;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario, Canada, or Vancouver, British Columbia, Canada for the transaction of banking business;

“**Cancellation**” has the meaning ascribed thereto in Section 2.5(1) hereof;

“**Cash Equivalent**” means in the case of Share Units, the amount of money equal to the Market Value multiplied by the number of vested Share Units in the Participant’s Account, net of any applicable taxes in accordance with Section 7.4, on the Share Unit Settlement Date;

“**Change of Control**” means unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) any transaction (other than a transaction described in clause (b) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation’s then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs (A) upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation’s equity incentive plans; or (B) as a result of the conversion of the multiple voting shares in the capital of the Corporation into Shares;

- (b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such transaction, or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
- (c) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation at the time of such transaction, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who, on the effective date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board;

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder;

"**Code of Ethics**" means any code of ethics adopted by the Corporation, as modified from time to time;

"**Corporation**" means Carbon Streaming Corporation, a corporation existing under the *Business Corporations Act* (British Columbia), as amended from time to time;

"**Dividend Share Units**" has the meaning ascribed thereto in Section 5.2 hereof;

"**Eligible Participants**" has the meaning ascribed thereto in Section 2.4(1) hereof;

"**Employment Agreement**" means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

“**Exercise Notice**” means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

“**Exercise Price**” has the meaning ascribed thereto in Section 3.2(1) hereof;

“**Expiry Date**” has the meaning ascribed thereto in Section 3.4 hereof;

“**Insider**” has the meaning attributed thereto in the NEO Exchange Listing aManual in respect of the rules governing security-based compensation arrangements, as amended from time to time;

“**Market Value**” means at any date when the market value of Shares of the Corporation is to be determined, the five-day volume weighted average trading price of the Shares on the Trading Day prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

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

“**Non-Employee Directors**” means members of the Board who, at the time of execution of an Award Agreement, if applicable, and at all times thereafter while they continue to serve as a member of the Board, are not officers, senior executives or other employees of the Corporation or a Subsidiary, consultants, or service providers providing ongoing services to the Corporation or its Affiliates;

“**Option**” means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, but subject to the provisions hereof and the Option Agreement;

“**Option Agreement**” means a written notice from the Corporation to a Participant evidencing the grant of Options and the terms and conditions thereof, substantially in the form set out in Appendix “A”, or such other form as the Board may approve from time to time;

“**Participants**” means Eligible Participants that are granted Awards under this Plan;

“**Participant’s Account**” means an account maintained to reflect each Participant’s participation in RSUs and/or PSUs under this Plan;

“**Performance Criteria**” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;

“**Performance Period**” means the period determined by the Board pursuant to Section 4.4 hereof;

“**Person**” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

“**Plan**” means this Omnibus Long-Term Incentive Plan, as amended or restated from time to time;

“**PSU**” means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

“**PSU Agreement**” means a written notice from the Corporation to a Participant evidencing the grant of PSUs and the terms and conditions thereof, substantially in the form of Appendix “C”, or such other form as the Board may approve from time to time;

“**Restriction Period**” means the period determined by the Board pursuant to Section 4.3 hereof;

“**RSU**” means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

“**RSU Agreement**” means a written notice from the Corporation to a Participant evidencing the grant of RSUs and the terms and conditions thereof, substantially in the form of Appendix “B”, or such other form as the Board may approve from time to time;

“**Share Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more employees, directors, officers or insiders of the Corporation or a Subsidiary. For greater certainty, a “Share Compensation Arrangement” does not include a security based compensation arrangement used as an inducement to person (s) or company(ies) not previously employed by and not previously an insider of the Corporation;

“**Shares**” means the common shares in the capital of the Corporation;

“**Share Unit**” means a RSU or PSU, as the context requires;

“**Share Unit Settlement Date**” has the meaning determined in Section 4.6(1)(a);

“**Share Unit Settlement Notice**” means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs or PSUs;

“**Share Unit Vesting Determination Date**” has the meaning described thereto in Section 4.5 hereof;

“**Stock Exchange**” means the NEO, the Toronto Stock Exchange or the TSX Venture Exchange, as applicable from time to time;

“**Subsidiary**” means a corporation, company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;

“**Successor Corporation**” has the meaning ascribed thereto in Section 6.1(3) hereof;

“**Surrender**” has the meaning ascribed thereto in Section 3.6(3);

“**Surrender Notice**” has the meaning ascribed thereto in Section 3.6(3);

“**Tax Act**” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

“**Termination Date**” means the date on which a Participant ceases to be an Eligible Participant;

“**Trading Day**” means any day on which the Stock Exchange is opened for trading; and

“**U.S. Participant**” means any Participant who is a United States citizen or United States resident alien as defined for purposes of Section 7701(b)(1)(A) of the Code or for whom an Award is otherwise subject to taxation under the Code.

## **ARTICLE 2—PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

### **Section 2.1 Purpose of the Plan.**

The purpose of this Plan is to advance the interests of the Corporation by: (i) providing Eligible Participants with additional incentives; (ii) encouraging stock ownership by such Eligible Participants; (iii) increasing the proprietary interest of Eligible Participants in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Participants to take into account long-term corporate performance; (vi) rewarding Eligible Participants for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation’s ability to attract, retain and motivate Eligible Participants.

### **Section 2.2 Implementation and Administration of the Plan.**

- (1) Subject to Section 2.3, this Plan will be administered by the Board.
- (2) Subject to the terms and conditions set forth in this Plan, the Board is authorized to provide for the granting, exercise and method of exercise of Awards, all at such times and on such terms (which may vary between Awards granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all certificates, agreements or other documents provided or entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Award Agreement or other document or any Awards granted pursuant to this Plan.
- (4) The day-to-day administration of this Plan may be delegated to such committee of the Board and/or such officers and employees of the Corporation as the Board determines from time to time.
- (5) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, applicable to the exercise of an Award.

### **Section 2.3 Delegation to Committee.**

Despite Section 2.2 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

### **Section 2.4 Eligible Participants.**

- (1) The Persons who shall be eligible to receive Awards (“**Eligible Participants**”) shall be the bona fide directors, officers, senior executives, consultants, management company employees and other employees of the Corporation or a Subsidiary, providing ongoing services to the Corporation and its Affiliates.

- (2) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship, employment or appointment with the Corporation.
- (3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to this Plan shall in no way be construed as a guarantee of employment or appointment by the Corporation.

#### **Section 2.5 Shares Subject to the Plan.**

- (1) Subject to adjustment pursuant to provisions of Article 6 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Awards under this Plan shall not exceed ten percent (10%) of the total issued and outstanding Shares from time to time or such other number as may be approved by the Stock Exchange and the shareholders of the Corporation from time to time, provided that at all times when the Corporation is listed on the NEO, the shareholder approval referred to herein must be obtained on a "disinterested" basis in compliance with the applicable policies of the NEO. For the purposes of this Section 2.5(1), in the event that the Corporation cancels or purchases to cancel any of its issued and outstanding Shares ("**Cancellation**") and as a result of such Cancellation the Corporation exceeds the limit set out in this Section 2.5(1), no approval of the Corporation's shareholders will be required for the issuance of Shares on the exercise of any Options which were granted prior to such Cancellation.
- (2) Shares in respect of which an Award is granted under this Plan, but not exercised prior to the termination of such Award or not vested or settled prior to the termination of such Award due to the expiration, termination, cancellation or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of this Plan. All Shares issued pursuant to the exercise or the vesting of the Awards granted under this Plan shall be so issued as fully paid and non-assessable Shares.

#### **Section 2.6 Participation Limits.**

- (1) Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares reserved and available for grant and issuance pursuant to Awards under this Plan to the Non-Employee Directors shall not exceed one percent (1%) of the total issued and outstanding Shares from time to time. For greater certainty, the Shares reserved and available for grant and issuance to the Non-Employee Directors, shall be included in the ten percent (10%) of the total issued and outstanding Shares from time to time generally available for grant and issuance pursuant Section 2.5(1).
- (2) Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares (i) issued to Insiders under this Plan or any other proposed or established Share Compensation Arrangement within any one-year period and (ii) issuable to Insiders at any time under this Plan or any other proposed or established Share Compensation Arrangement, shall in each case not exceed ten percent (10%) of the total issued and outstanding Shares from time to time. Any Awards granted pursuant to this Plan, prior to the Participant becoming an Insider, shall be excluded for the purposes of the limits set out in this Section 2.6(2).



## ARTICLE 3—OPTIONS

### Section 3.1 Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, subject to the provisions hereof.

### Section 3.2 Option Awards.

- (1) The Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive Options under this Plan, (ii) determine the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Exercise Price**”), (iv) determine the relevant vesting provisions (including Performance Criteria, if applicable) and (v) determine the Expiry Date; the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the Stock Exchange.
- (2) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a Option Agreement, each Option shall vest as to one-third on the first anniversary date of the grant, one-third on the second anniversary of the date of grant, and one-third on the third anniversary of the date of grant.

### Section 3.3 Exercise Price.

The Exercise Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

### Section 3.4 Expiry Date; Blackout Period.

Subject to Section 6.2, each Option must be exercised no later than ten (10) years after the date the Option is granted or such shorter period as set out in the Participant’s Option Agreement, at which time such Option will expire (the “**Expiry Date**”). Notwithstanding any other provision of this Plan, each Option that would expire during or within ten (10) Business Days immediately following a Black-Out Period shall expire on the date that is ten (10) Business Days immediately following the expiration of the Black-Out Period. Where an Option will expire on a date that falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the BlackOut Period, then the date such Option will expire will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days after the Black-Out Period that the Option expires.

### Section 3.5 Exercise of Options.

- (1) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (2) Prior to its expiration or earlier termination in accordance with this Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board may determine in its sole discretion.

- (3) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 6.1, such Participant will only have the right to acquire the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

### **Section 3.6 Method of Exercise and Payment of Purchase Price.**

- (1) Subject to the provisions of this Plan and the alternative exercise procedures set out herein, an Option granted under this Plan may be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering an Exercise Notice to the Corporation in the form and manner determined by the Board from time to time, together with cash, a bank draft or certified cheque in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Options and any applicable tax withholdings.
- (2) Pursuant to the Exercise Notice and subject to the approval of the Board, a Participant may choose to undertake a “cashless exercise” with the assistance of a broker in order to facilitate the exercise of such Participant’s Options. The “cashless exercise” procedure may include a sale of such number of Shares as is necessary to raise an amount equal to the aggregate Exercise Price for all Options being exercised by that Participant under an Exercise Notice and any applicable tax withholdings. Pursuant to the Exercise Notice, the Participant may authorize the broker to sell Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Corporation to satisfy the Exercise Price and any applicable tax withholdings, promptly following which the Corporation shall issue the Shares underlying the number of Options as provided for in the Exercise Notice.
- (3) In addition, in lieu of exercising any vested Option in the manner described in this Section 3.6(1) or Section 3.6(2), and pursuant to the terms of this Article 3, a Participant may, by surrendering an Option (“**Surrender**”) with a properly endorsed notice of Surrender to the Corporate Secretary of the Corporation, substantially in the form of Schedule II to the Option Agreement (a “**Surrender Notice**”), elect to receive that number of Shares calculated using the following formula:

$$X = (Y * (A-B)) / A$$

**Where:**

X = the number of Shares to be issued to the Participant upon exercising such Options; provided that if the foregoing calculation results in a negative number, then no Shares shall be issued

Y = the number of Shares underlying the Options to be Surrendered

A = the Market Value of the Shares as at the date of the Surrender

B = the Exercise Price of such Options

- (4) Upon the exercise of an Option pursuant to Section 3.6(1) or Section 3.6(3), the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to deliver to the Participant such number of Shares as the Participant shall have then paid for and as are specified in such Exercise Notice.

## ARTICLE 4 —SHARE UNITS

### Section 4.1 Nature of Share Units.

A Share Unit is an Award entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

### Section 4.2 Share Unit Awards.

- (1) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs and/or PSUs under this Plan, (ii) fix the number of RSUs and/or PSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs and/or PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs and/or PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) The RSUs and PSUs are structured so as to be considered to be a “plan” described in Section 7 of the Tax Act or any successor to such provision.
- (3) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement and/or PSU Agreement, the Board shall determine whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares.
- (4) Share Units may be settled by the Participant at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but shall be settled no later than the Share Unit Settlement Date.
- (5) Unless otherwise specified in the RSU Agreements, one-third of RSUs awarded pursuant to a RSU Agreement shall vest on each of the first three anniversaries of the date of grant.
- (6) Each Non-Employee Director may elect to receive all or a portion his or her annual retainer fee in the form of a grant of RSUs in each fiscal year. The number of RSUs shall be calculated as the amount of the Non-Employee Director’s annual retainer fee elected to be paid by way of RSUs divided by the Market Value. At the discretion of the Board, fractional RSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

### Section 4.3 Restriction Period Applicable to Share Units.

The applicable restriction period in respect of a particular Share Unit shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the Award is granted (“**Restriction Period**”). For example, the Restriction Period for a grant made in June 2020 shall end no later than December 31, 2023. Subject to the Board’s determination, any vested Share Units with respect to a Restriction Period will be paid to Participants in accordance with Article 4, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested Share Units shall be cancelled on the Share Unit Vesting Determination Date (as such term is defined in Section 4.5) and, in any event, no later than the last day of the Restriction Period.

#### **Section 4.4 Performance Criteria and Performance Period Applicable to PSU Awards.**

- (1) For each award of PSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the PSUs held by such Participant (the “**Performance Period**”), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three (3) years after the calendar year in which the Award was granted. For example, a Performance Period determined by the Board to be for a period of three (3) financial years will start on the first day of the financial year in which the award is granted and will end on the last day of the second financial year after the year in which the grant was made. In such a case, for a grant made on January 4, 2021, the Performance Period will start on January 1, 2021 and will end on December 31, 2023.
- (2) For each award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions in order for a Participant to be entitled to receive Shares in exchange for his or her PSUs.

#### **Section 4.5 Share Unit Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU and/or PSU have been met (the “**Share Unit Vesting Determination Date**”), and as a result, establishes the number of RSUs and/or PSUs that become vested, if any. For greater certainty, the Share Unit Vesting Determination Date in respect of Share Units must fall after the end of the Performance Period, if applicable, but no later than the last day of the Restriction Period.

#### **Section 4.6 Settlement of Share Unit Awards.**

- (1) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a RSU Agreement and/or PSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of a Share Unit are satisfied:
  - (a) all of the vested Share Units covered by a particular grant may, subject to Section 4.6(4), be settled at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the date that is five (5) years from their Share Unit Vesting Determination Date (the “**Share Unit Settlement Date**”); and
  - (b) a Participant is entitled to deliver to the Corporation, on or before the Share Unit Settlement Date, a Share Unit Settlement Notice in respect of any or all vested Share Units held by such Participant.
- (2) Subject to Section 4.6(4), settlement of Share Units shall take place promptly following the Share Unit Settlement Date and take the form set out in the Share Unit Settlement Notice through:
  - (a) in the case of settlement of Share Units for their Cash Equivalent, delivery of a bank draft, certified cheque or other acceptable form of payment to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of Share Units for Shares, delivery of Shares to the Participant; or
  - (c) in the case of settlement of the Share Units for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

- (3) If a Share Unit Settlement Notice is not received by the Corporation on or before the Share Unit Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 4.7(2).
- (4) Notwithstanding any other provision of this Plan, in the event that a Share Unit Settlement Date falls during a Black-Out Period and the Participant has not delivered a Share Unit Settlement Notice, then such Share Unit Settlement Date shall be automatically extended to the tenth (10<sup>th</sup>) Business Day following the date that such Black-Out Period is terminated. Where a Share Unit Settlement Date falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black-Out Period, then the Share Unit Settlement Date will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days that a Share Unit Settlement Date is after the Black-Out Period.

#### **Section 4.7 Determination of Amounts.**

- (1) **Cash Equivalent of Share Units.** For purposes of determining the Cash Equivalent of Share Units to be made pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and shall equal the Market Value on the Share Unit Settlement Date multiplied by the number of vested Share Units in the Participant's Account which the Participant desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (2) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of Share Units pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and be the whole number of Shares equal to the whole number of vested Share Units then recorded in the Participant's Account which the Participant desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan in respect of such Share Units settled for Shares shall be satisfied in full by such issuance of Shares.

### **ARTICLE 5—GENERAL CONDITIONS**

#### **Section 5.1 General Conditions applicable to Awards.**

Each Award, as applicable, shall be subject to the following conditions:

- (1) **Employment** - The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (2) **Rights as a Shareholder** - Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.

- (3) **Conformity to Plan** - In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of this Plan, or purports to grant Awards on terms different from those set out in this Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with this Plan.
- (4) **Non-Transferability** - Except as set forth herein, Awards are not transferable. Awards may be exercised only upon the Participant's death, by the legal representative of the Participant's estate, provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.

## Section 5.2 Dividend Share Units.

When dividends (other than stock dividends) are paid on Shares, Participants shall receive additional RSUs and/or PSUs, as applicable ("**Dividend Share Units**") as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant shall be determined by multiplying the aggregate number of RSUs and/or PSUs, as applicable, held by the Participant on the relevant record date by the amount of the dividend paid by the Corporation on each Share, and dividing the result by the Market Value on the dividend payment date, which Dividend Share Units shall be in the form of RSUs and/or PSUs, as applicable. Dividend Share Units granted to a Participant in accordance with this Section 5.2 shall be subject to the same vesting conditions applicable to the related RSUs and/or PSUs.

## Section 5.3 Termination of Employment.

- (1) Subject to a written Employment Agreement of a Participant and as otherwise determined by the Board, each Share Unit and Option shall be subject to the following conditions:
  - (a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for "cause", all unexercised vested or unvested Share Units and Options granted to such Participant shall terminate on the effective date of the termination as specified in the notice of termination. For the purposes of this Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's Code of Ethics and any reason determined by the Corporation to be cause for termination.
  - (b) **Retirement.** In the case of a Participant's retirement, any unvested Share Units and/or Options held by the Participant as at the Termination Date will continue to vest in accordance with their vesting schedules, and all vested Share Units and Options held by the Participant at the Termination Date may be exercised until the earlier of the expiry date of such Share Units and Options or one (1) year following the Termination Date, provided that if the Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Share Units and/or Options held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any "in-the- money" amounts realized upon exercise of Share Units and/or Options following the Termination Date.

- (c) **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant's resignation, subject to any later expiration dates determined by the Board, all Share Units and Options shall expire on the earlier of ninety (90) days after the effective date of such resignation, or the expiry date of such Share Unit or Option, to the extent such Share Unit or Option was vested and exercisable by the Participant on the effective date of such resignation and all unexercised unvested Share Units and/or Options granted to such Participant shall terminate on the effective date of such resignation.
  - (d) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for "cause", resignation or death) the number of Share Units and/or Options that may vest is subject to pro ration over the applicable vesting or performance period and shall expire on the earlier of ninety (90) days after the effective date of the Termination Date, or the expiry date of such Share Units and Options. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Share Units and/or Options.
  - (e) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, all unvested Share Units and Options will immediately vest and all Share Units and Options will expire one hundred eighty (180) days after the death of such Participant.
  - (f) **Change of Control.** If a participant is terminated without "cause" or resigns for good reason during the 12 month period following a Change of Control, or after the Corporation has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Share Units and/or Options will immediately vest and may be exercised prior to the earlier of thirty (30) days of such date or the expiry date of such Options.
- (2) For the purposes of this Plan, a Participant's employment with the Corporation or an Affiliate is considered to have terminated effective on the last day of the Participant's actual and active employment with the Corporation or Affiliate, whether such day is selected by agreement with the individual, unilaterally by the Corporation or Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by a court or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment will be considered as extending the Participant's period of employment for the purposes of determining his entitlement under this Plan.
  - (3) The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have settled or vested or accrued to the Participant after the date of cessation of employment or if working notice of termination had been given.

#### **Section 5.4 Unfunded Plan.**

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that this Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Tax Act or any successor provision thereto.

## ARTICLE 6—ADJUSTMENTS AND AMENDMENTS

### Section 6.1 Adjustment to Shares Subject to Outstanding Awards.

- (1) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (2) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (3) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 6.1(1) or Section 6.1(2) hereof or, subject to the provisions of Section 6.2(3) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the “**Successor Corporation**”), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 6.2(3) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.
- (4) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants’ economic rights in respect of their Awards in connection with such distribution, transaction or change.



**Section 6.2     Amendment or Discontinuance of the Plan.**

- (1) The Board may amend this Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
  - (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 6 hereof;
  - (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Stock Exchange; and
  - (c) be subject to shareholder approval, where required by law, the requirements of the Stock Exchange or the provisions of this Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any such amendments:
    - (i) amendments of a general “housekeeping” or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in this Plan;
    - (ii) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award);
    - (iii) a change to the assignability provisions under this Plan;
    - (iv) any amendment regarding the effect of termination of a Participant’s employment or engagement;
    - (v) any amendment to add or amend provisions relating to the granting of cash- settled awards, provision of financial assistance or clawbacks and any amendment to a cash-settled award, financial assistance or clawbacks provisions which are adopted;
    - (vi) any amendment regarding the administration of this Plan;
    - (vii) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the shareholders of the Corporation (provided, however, that any Stock Exchange shall have the overriding right in such circumstances to require shareholder approval of any such amendments); and
    - (viii) any other amendment that does not require the shareholder approval under Section 6.2(2).

- (2) Notwithstanding Section 6.2(1)(c), the Board shall be required to obtain shareholder approval to make the following amendments:
- (a) any change to the maximum number of Shares issuable from treasury under this Plan, except such increase by operation of Section 2.5 and in the event of an adjustment pursuant to Article 6;
  - (b) any amendment which reduces the exercise price of any Award, except in the case of an adjustment pursuant to Article 6;
  - (c) any amendment that would permit the introduction or reintroduction of Non-Employee Directors as Eligible Participants on a discretionary basis or any amendment that increases the limits previously imposed on Non-Employee Director participation;
  - (d) any amendment to remove or to exceed the insider participation limit set out in Section 2.6(2);
  - (e) any amendment to the amendment provisions of this Plan.

At all times when the Corporation is listed on the NEO, the shareholder approval referred to in Section 6.2(2)(b) (if any such Award is held by an Insider) and Section 6.2(2)(d) above must be obtained on a “disinterested” basis in compliance with the applicable policies of the NEO.

- (3) The Board may, subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant’s employment shall not apply for any reason acceptable to the Board.

### **Section 6.3 Change of Control.**

- (1) Notwithstanding any other provision of this Plan, in the event of a Change of Control, the surviving, successor or acquiring entity shall assume any Awards or shall substitute similar options or share units for the outstanding Awards, as applicable. If the surviving, successor or acquiring entity does not assume the outstanding Awards or substitute similar options or share units for the outstanding Awards, as applicable, or if the Board otherwise determines in its discretion, the Corporation shall give written notice to all Participants advising that this Plan shall be terminated effective immediately prior to the Change of Control and all Options, RSUs (and related Dividend Share Units) and a specified number of PSUs (and related Dividend Share Units) shall be deemed to be vested and, unless otherwise exercised, settled, forfeited or cancelled prior to the termination of this Plan, shall expire or, with respect to RSUs and PSUs be settled, immediately prior to the termination of this Plan. The number of PSUs which are deemed to be vested shall be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Criteria prior to the Change of Control.
- (2) In the event of a Change of Control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Participants; (ii) otherwise modify the terms of the Awards to assist the Participants to tender into a takeover bid or other arrangement leading to a Change of Control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such Change of Control. If the Change of Control is not completed within the time specified therein (as the same may be extended), the Awards which vest pursuant to this Section 6.3 shall be returned by the Corporation to the Participant and, if exercised or settled, as applicable, the Shares issued on such exercise or settlement shall be reinstated as authorized but unissued Shares and the original terms applicable to such Awards shall be reinstated.

## **ARTICLE 7—MISCELLANEOUS**

### **Section 7.1 Currency.**

Unless otherwise specifically provided, all references to dollars in this Plan are references to Canadian dollars.

### **Section 7.2 Compliance and Award Restrictions.**

- (1) The Corporation's obligation to issue and deliver Shares under any Award is subject to: (i) the completion of such registration or other qualification of such Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Shares to listing on any stock exchange on which such Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which such Shares are then listed.
- (2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (3) No Awards will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Corporation.
- (4) The Corporation is not obliged by any provision of this Plan or the grant of any Award under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals.
- (5) If Shares cannot be issued to a Participant upon the exercise or settlement of an Award due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and, if applicable, any funds paid to the Corporation in connection with the exercise of any Options will be returned to the applicable Participant as soon as practicable.

### **Section 7.3 Use of an Administrative Agent and Trustee.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under this Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under this Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under this Plan.

#### **Section 7.4 Tax Withholding.**

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under this Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (2) The sale of Shares by the Corporation, or by a broker engaged by the Corporation (the "**Broker**"), under Section 7.4 (1) or under any other provision of this Plan will be made on the Stock Exchange. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares on his behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the withholding obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Corporation nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise.
- (3) The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.
- (4) Notwithstanding the first paragraph of this Section 7.4, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

#### **Section 7.5 Reorganization of the Corporation.**

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **Section 7.6 Governing Laws.**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

#### **Section 7.7 Severability.**

The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Plan.

#### **Section 7.8 Effective Date of the Plan.**

The Plan was approved by the Board with effect as of March 25, 2021 and was amended by the Board with effect as of September 30, 2021.

**ADDENDUM FOR U.S. PARTICIPANTS**  
**CARBON STREAMING CORPORATION**  
**OMNIBUS LONG-TERM INCENTIVE PLAN**

The provisions of this Addendum apply to Awards held by a U.S. Participant. All capitalized terms used in this Addendum but not defined in Section 1 below have the meanings attributed to them in the Plan. The Section references set forth below match the Section references in the Plan. This Addendum shall have no other effect on any other terms and provisions of the Plan except as set forth below.

**1. Definitions**

“**cause**” has the meaning attributed under Section 5.3(1)(a) of the Plan, provided however that the Participant has provided the Corporation (or applicable Subsidiary) with written notice of the acts or omissions constituting grounds for “cause” within 90 days of such act or omission and the Corporation (or applicable Subsidiary) shall have failed to rectify, as determined by the Board acting reasonably, any such acts or omissions within 30 days of the Corporation’s (or applicable Subsidiary’s) receipt of such notice.

“**Separation from Service**” means, with respect to a U.S. Participant, any event that may qualify as a separation from service under Treasury Regulation Section 1.409A-1(h). A U.S. Participant shall be deemed to have separated from service if he or she dies, retires, or otherwise has a termination of employment as defined under Treasury Regulation Section 1.409A-1(h).

“**Specified Employee**” has the meaning set forth in Treasury Regulation Section 1.409A-1(i).

**2. Expiry Date of Options**

Notwithstanding anything to the contrary in Section 3.4 of the Plan or otherwise, in no event, including as a result of any Black- Out Period or any termination of employment, shall the expiration of any Option issued to a U.S. Participant be extended beyond the original Expiry Date if such Option has an Exercise Price that is less than the Market Value on the date of the proposed extension.

**3. Non-Employee Directors**

A Non-Employee Director who is also a U.S. Participant and wishes to have all or any part of his or her annual retainer fees paid in the form of RSUs shall irrevocably elect such payment form by December 31 of the year prior to the calendar year during which the annual retainer fees are to be earned. Any election made under this Section 3 shall be irrevocable during the calendar year to which it applies, and shall apply to annual retainers earned in future calendar years unless and until the U.S. Participant makes a later election in accordance with the terms of this Section 3 of the Addendum. With respect to the calendar year in which a U.S. Participant becomes a Non-Employee Director, so long as such individual has never previously been eligible to participate in any deferred compensation plan sponsored by the Corporation, such individual may make the election described in this Section 3 of the Addendum within the first 30 days of becoming eligible to participate in the Plan, but solely with respect to the portion of the annual retainer not earned before the date such election is made. Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, any RSUs issued to a U.S. Participant that is a Non-Employee Director in lieu of retainer fees shall be settled on earlier of (i) the U.S. Participant’s Separation from Service, or (ii) a Change of Control provided that such change of control event constitutes a change of control within the meaning of Section 409A.

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#### **4. Settlement of Share Unit Awards.**

- (a) Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, all of the vested Share Units subject to any RSU or PSU shall be settled on earlier of (i) the date set forth in the U.S. Participant's Share Unit Settlement Notice which shall be no later than the fifth anniversary of the applicable Share Unit Vesting Determination Date, (ii) the U.S. Participant's Separation from Service, or (iii) a Change of Control provided that such change of control event constitutes a change of control within the meaning of Section 409A.
- (b) Notwithstanding Section 4.6(1)(b) of the Plan, any U.S. Participant must deliver to the Corporation a Share Unit Settlement Notice specifying the Share Unit Settlement Date and form of settlement for his or her RSUs or PSUs on or prior to December 31 of the calendar year prior to the calendar year of the grant; provided that, the Share Unit Settlement Date may be specified at any time prior to the grant date, if the award requires the U.S. Participant's continued service for not less than 12 months after the grant date in order to vest in such Award. Any such election of Share Unit Settlement Date shall be irrevocable as of the last date in which it is permitted to be made in accordance with the foregoing sentence. Notwithstanding the foregoing, if any U.S. Participant fails to timely submit a Share Unit Settlement Notice in accordance with the foregoing, then such U.S. Participant's Share Unit Settlement Date shall be deemed to be the fifth anniversary of the Share Unit Vesting Determination Date, in addition, such settlement shall be in the form of Shares, Cash Equivalent, or a combination of both as determined by the Corporation in its sole discretion.
- (c) For the avoidance of doubt, Section 4.6(4) of the Plan shall not apply to any Award issued to a U.S. Participant.

#### **5. Dividend Share Units**

For purposes of clarity, any Dividend Share Units issued to any U.S. Participant shall be settled at the same time as the underlying RSUs or PSUs for which they were awarded.

#### **6. Termination of Employment**

- (a) Notwithstanding Section 5.3(1)(b) of the Plan, any unvested Share Units held by a Participant that retires shall be deemed vested as of the Termination Date and shall be settled at such time as set forth in Section 3 to this Addendum.
- (b) For the avoidance of doubt, in the event that a U.S. Participant dies, his or her vested Options shall expire on the earlier of the original expiry date or one hundred and eighty days after the death of such Participant.

#### **7. Specified Employee**

Each grant of Share Units to a U.S. Participant is intended to be exempt from or comply with Code Section 409A. To the extent any Award is subject to Section 409A, then

- (a) all payments to be made upon a U.S. Participant's Termination Date shall only be made upon such individual's Separation from Service.
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- (b) if on the date of the U.S. Participant's Separation from Service the Corporation's shares (or shares of any other Corporation that is required to be aggregated with the Corporation in accordance with the requirements of Code Section 409A) is publicly traded on an established securities market or otherwise and the U.S. Participant is a Specified Employee, then the benefits payable to the Participant under the Plan that are payable due to the U.S. Participant's Separation from Service shall be postponed until the earlier of the originally scheduled date and six months following the U.S. Participant's Separation from Service. The postponed amount shall be paid to the U.S. Participant in a lump sum within 30 days after the earlier of the originally scheduled date and the date that is six months following the U.S. Participant's Separation from Service. If the U.S. Participant dies during such six month period and prior to the payment of the postponed amounts hereunder, the amounts delayed on account of Code Section 409A shall be paid to the U.S. Participant's estate within 60 days following the U.S. Participant's death.

## **8. Adjustments.**

Notwithstanding anything to the contrary in Article 6 of the Plan, any adjustment to an Option held by any U.S. Participant shall be made in compliance with the Code which for the avoidance of doubt may include an adjustment to the number of Shares subject thereto, in addition to an adjustment to the Exercise Price thereof.

## **9. General**

Notwithstanding any provision of the Plan to the contrary, all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Board may, in its sole discretion and without the U.S. Participant's consent, modify such provision to: (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest and penalties under Code Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Code Section 409A. Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Section 409A), and neither the Corporation nor any Subsidiary of the Corporation shall have any obligation to indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

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**APPENDIX “A”**

**FORM OF OPTION AGREEMENT**

**CARBON STREAMING CORPORATION**

**OPTION AGREEMENT**

This Stock Option Agreement (the “**Option Agreement**”) is granted by Carbon Streaming Corporation (the “**Corporation**”), in favour of the optionee named below (the “**Optionee**”) pursuant to and on the terms and subject to the conditions of the Corporation’s Omnibus Long-Term Incentive Plan (the “**Plan**”). Capitalized terms used and not otherwise defined in this Option Agreement shall have the meanings set forth in the Plan.

The terms of the option (the “**Option**”), in addition to those terms set forth in the Plan, are as follows:

1. **Optionee.** The Optionee is [●] and the address of the Optionee is currently [●].
  2. **Number of Shares.** The Optionee may purchase up to [●] Shares of the Corporation (the “**Option Shares**”) pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in Section 6 of this Option Agreement.
  3. **Exercise Price.** The exercise price is Cdn \$ [●] per Option Share (the “**Exercise Price**”).
  4. **Date Option Granted.** The Option was granted on [●].
  5. **Expiry Date.** The Option terminates on [●]. (the “**Expiry Date**”).
  6. **Vesting.** The Option to purchase Option Shares shall vest and become exercisable as follows:  
  
[●]
  7. **Exercise of Option.** To exercise the Option, the Optionee shall notify the Corporation in the form annexed hereto as Schedule I, whereupon the Corporation shall use reasonable efforts to cause the Optionee to receive a certificate representing the relevant number of fully paid and non-assessable Shares in the Corporation.
  8. **Transfer of Option.** The Option is not-transferable or assignable except in accordance with the Plan.
  9. **Inconsistency.** This Option Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this Option Agreement and the Plan, the terms of the Plan shall govern.
  10. **Severability.** Wherever possible, each provision of this Option Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Option Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Option Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
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- 11. **Entire Agreement.** This Option Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
- 12. **Successors and Assigns.** This Option Agreement shall bind and enure to the benefit of the Optionee and the Corporation and their respective successors and permitted assigns.
- 13. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
- 14. **Governing Law.** This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 15. **Counterparts.** This Option Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this Agreement, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereof have executed this Option Agreement as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CARBON STREAMING CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Witness [Insert Participant’s Name]

\_\_\_\_\_

SCHEDULE I  
ELECTION TO EXERCISE STOCK OPTIONS

TO: CARBON STREAMING CORPORATION (the “Corporation”)

The undersigned Optionee hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated \_\_\_\_\_, 20\_\_ under the Corporation’s Omnibus Long-Term Incentive Plan (the “Plan”), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired: \_\_\_\_\_

Exercise Price (per Share): Cdn.\$ \_\_\_\_\_  
—

Aggregate Purchase Price: Cdn.\$ \_\_\_\_\_  
—

Amount enclosed that is payable on account of any  
source deductions relating to this Option exercise  
(contact the Corporation for details of such amount): Cdn.\$ \_\_\_\_\_  
—

☐ Or check here if alternative arrangements  
have been made with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all source deductions, and directs such Shares to be registered in the name of \_\_\_\_\_

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this \_\_\_\_ day of \_\_\_\_\_ , \_\_\_\_\_

\_\_\_\_\_  
*Signature of Participant*

\_\_\_\_\_  
*Name of Participant (Please Print)*

\_\_\_\_\_

SCHEDULE II  
SURRENDER NOTICE

TO: CARBON STREAMING CORPORATION (the “Corporation”)

The undersigned Optionee hereby elects to surrender \_\_\_\_\_ Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated \_\_\_\_\_, 20\_\_\_\_ under the Corporation’s Omnibus Long-Term Incentive Plan (the “**Plan**”) in exchange for Shares as calculated in accordance with Section 3.6(3) of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Please issue a certificate or certificates representing the Shares in the name of \_\_\_\_\_.

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
*Signature of Participant*

\_\_\_\_\_  
*Name of Participant (Please Print)*

\_\_\_\_\_

**APPENDIX “B”**

**FORM OF RSU AGREEMENT**

**CARBON STREAMING CORPORATION**

**RESTRICTED SHARE UNIT AGREEMENT**

This restricted share unit agreement (“**RSU Agreement**”) is granted by Carbon Streaming Corporation (the “**Corporation**”) in favour of the Participant named below (the “**Recipient**”) of the restricted share units (“**RSUs**”) pursuant to the Corporation’s Omnibus Long-Term Incentive Plan (the “**Plan**”). Capitalized terms used and not otherwise defined in this RSU Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

1.       **Recipient.** The Recipient is [•] and the address of the Recipient is currently [•].
2.       **Grant of RSUs.** The Recipient is hereby granted [•] RSUs.
3.       **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on [•] and terminate on [•].
4.       **Performance Criteria.** [•].
5.       **Performance Period.** [•].
6.       **Vesting.** The RSUs will vest as follows:  
  
          [•].
7.       **Transfer of RSUs.** The RSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
8.       **Inconsistency.** This RSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Agreement and the Plan, the terms of the Plan shall govern.
9.       **Severability.** Wherever possible, each provision of this RSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
10.      **Entire Agreement.** This RSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

- 11. **Successors and Assigns.** This RSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
- 12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
- 13. **Governing Law.** This RSU Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 14. **Counterparts.** This RSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this RSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this RSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this RSU Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CARBON STREAMING CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
[Insert Participant’s Name]

\_\_\_\_\_

**APPENDIX “C”**  
**FORM OF PSU AGREEMENT**  
**CARBON STREAMING CORPORATION**  
**PERFORMANCE SHARE UNIT AGREEMENT**

This performance share unit agreement (“**PSU Agreement**”) is granted by Carbon Streaming Corporation (the “**Corporation**”) in favour of the Participant named below (the “**Recipient**”) of the performance share units (“**PSUs**”) pursuant to the Corporation’s Omnibus Long-Term Incentive Plan (the “**Plan**”). Capitalized terms used and not otherwise defined in this PSU Agreement shall have the meanings set forth in the Plan.

The terms of the PSUs, in addition to those terms set forth in the Plan, are as follows:

1.       **Recipient.** The Recipient is [●] and the address of the Recipient is currently [●].
  2.       **Grant of PSUs.** The Recipient is hereby granted [●] PSUs.
  3.       **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the PSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].
  4.       **Performance Criteria.** [●].
  5.       **Performance Period.** [●].
  6.       **Vesting.** The PSUs will vest as follows:  
  
          [●].
  7.       **Transfer of PSUs.** The PSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
  8.       **Inconsistency.** This PSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this PSU Agreement and the Plan, the terms of the Plan shall govern.
  9.       **Severability.** Wherever possible, each provision of this PSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this PSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this PSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
  10.      **Entire Agreement.** This PSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
-

- 11. **Successors and Assigns.** This PSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
- 12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
- 13. **Governing Law.** This PSU Agreement and the PSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 14. **Counterparts.** This PSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this PSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this PSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this PSU Agreement as of the \_\_\_\_ day of\_\_\_\_\_, 20\_\_.

CARBON STREAMING CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
[Insert Participant’s Name]

\_\_\_\_\_

**APPENDIX “B”  
AMENDED AND RESTATED ARTICLES**

See attached.

---



Incorporation Number: BC0704014

Effective as of: [●], 2021

AMENDED AND RESTATED ARTICLES  
OF  
CARBON STREAMING CORPORATION  
*BUSINESS CORPORATIONS ACT*  
BRITISH COLUMBIA

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AMENDED AND RESTATED ARTICLES  
OF  
CARBON STREAMING CORPORATION  
(the “Company”)

PART 1  
INTERPRETATION

1.1 Definitions

In these Articles (the “Articles”), unless the context otherwise requires:

- (1) “appropriate person” has the meaning assigned in the *Securities Transfer Act*;
  - (2) “board of directors”, “directors” and “board” mean the directors of the Company for the time being;
  - (3) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
  - (4) “*Interpretation Act*” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
  - (5) “legal personal representative” means the personal or other legal representative of a shareholder;
  - (6) “protected purchaser” has the meaning assigned in the *Securities Transfer Act*;
  - (7) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;
  - (8) “seal” means the seal of the Company, if any;
  - (9) “*Securities Act*” means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
  - (10) “securities legislation” means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; “Canadian securities legislation” means the securities legislation in any province or territory of Canada and includes the *Securities Act*; and “U.S. securities legislation” means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the *Securities Act* of 1933 and the *Securities Exchange Act* of 1934;
  - (11) “*Securities Transfer Act*” means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.
-

## **1.2 Business Corporations Act and Interpretation Act Definitions Applicable**

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

## **PART 2 SHARES AND SHARE CERTIFICATES**

### **2.1 Authorized Share Structure**

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

### **2.2 Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

### **2.3 Shareholder Entitled to Certificate or Acknowledgment**

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

### **2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company (including the Company's legal counsel or transfer agent) is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

### **2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the Company is satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, it must, on production to it of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as it thinks fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.



## **2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate**

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the Company.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

## **2.7 Recovery of New Share Certificate**

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

## **2.8 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

## **2.9 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

## **2.10 Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

# **PART 3 ISSUE OF SHARES**

## **3.1 Directors Authorized**

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

### **3.2 Commissions and Discounts**

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

### **3.3 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

### **3.4 Conditions of Issue**

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (a) past services performed for the Company;
  - (b) property;
  - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

### **3.5 Share Purchase Warrants and Rights**

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## **PART 4 SHARE REGISTERS**

### **4.1 Central Securities Register**

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register, which may be kept in electronic form.

### **4.2 Appointment of Agent**

The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

If the Company has appointed a transfer agent, references in Articles 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, and 5.7 to the Company include its transfer agent.

### **4.3 Closing Register**

The Company must not at any time close its central securities register.

## **PART 5 SHARE TRANSFERS**

### **5.1 Registering Transfers**

The Company must register a transfer of a share of the Company if either:

- (1) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:
  - (a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
  - (b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the *Business Corporations Act* and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
  - (c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or
- (2) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

### **5.2 Waivers of Requirements for Transfer**

The Company may waive any of the requirements set out in Article 5.1(1) and any of the preconditions referred to in Article 5.1(2).

### **5.3 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

### **5.4 Transferor Remains Shareholder**

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

## **5.5 Signing of Instrument of Transfer**

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

## **5.6 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

## **5.7 Transfer Fee**

Subject to the applicable rules of any stock exchange on which the shares of the Company may be listed, there must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

# **PART 6 TRANSMISSION OF SHARES**

## **6.1 Legal Personal Representative Recognized on Death**

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

## **6.2 Rights of Legal Personal Representative**

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles and applicable securities legislation, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

# **PART 7 ACQUISITION OF COMPANY'S SHARES**

## **7.1 Company Authorized to Purchase or Otherwise Acquire Shares**

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares, the *Business Corporations Act* and applicable securities legislation, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

## **7.2 No Purchase, Redemption or Other Acquisition When Insolvent**

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

## **7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares**

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

**PART 8**  
**BORROWING POWERS**

**8.1 Borrowing Powers**

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

**PART 9**  
**ALTERATIONS**

**9.1 Alteration of Authorized Share Structure**

Subject to Articles 9.2 and 9.3, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may:

- (1) by ordinary resolution:
  - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares; or
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (d) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (e) alter the identifying name of any of its shares; or
- (f) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, if applicable, alter its Notice of Articles and Articles accordingly; or

- (2) by resolution of the directors, subdivide or consolidate all or any of its unissued, or fully paid issued, shares and if applicable, alter its Notice of Articles and, if applicable, its Articles accordingly.

## **9.2 Special Rights or Restrictions**

Subject to the special rights or restrictions attached to any class or series of shares and the *Business Corporations Act*, the Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

## **9.3 No Interference with Class or Series Rights without Consent**

A right or special right attached to issued shares must not be prejudiced or interfered with under the *Business Corporations Act*, the Notice of Articles or these Articles unless the holders of shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of the holders of such class or series of shares.

## **9.4 Change of Name**

The Company may by directors' resolution or ordinary resolution authorize an alteration to its Notice of Articles in order to change its name.

## **9.5 Other Alterations**

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

## **PART 10**

### **MEETINGS OF SHAREHOLDERS**

#### **10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place, either in or outside British Columbia, as may be determined by the directors.

#### **10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

#### **10.3 Calling of Meetings of Shareholders**

The directors may, at any time, call a meeting of shareholders, to be held at such time and place, either in or outside British Columbia, as may be determined by the directors.

#### **10.4 Notice for Meetings of Shareholders**

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

#### **10.5 Record Date for Notice and Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of, and to vote at, any meeting of shareholders.

#### **10.6 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### **10.7 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
  - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
  - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

#### **10.8 Class Meetings and Series Meetings of Shareholders**

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

#### **10.9 Electronic Meetings**

The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of

such communications facilities, if the directors determine to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

#### **10.10 Advance Notice Provisions**

##### **(1) *Nomination of Directors***

Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the procedures set out in this Article 10.10 shall be eligible for election as directors to the board of directors of the Company. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

- (a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the *Business Corporations Act* or a valid requisition of shareholders made in accordance with the provisions of the *Business Corporations Act*; or
- (c) by any person entitled to vote at such meeting (a “**Nominating Shareholder**”), who:
  - (i) is, at the close of business on the date of giving notice provided for in this Article 10.10 and on the record date for notice of such meeting, either entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company; and
  - (ii) has given timely notice in proper written form as set forth in this Article 10.10.



(2) ***Exclusive Means***

For the avoidance of doubt, this Article 10.10 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.

(3) ***Timely Notice***

In order for a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), the Nominating Shareholder’s notice must be received by the corporate secretary of the Company at the principal executive offices or registered office of the Company:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. (Vancouver time) on the 30<sup>th</sup> day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the meeting (each such date being the “**Notice Date**”) is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15<sup>th</sup> day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in Article 10.10(3)(a) or 10.10(3)(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40<sup>th</sup> day before the date of the applicable meeting.

(4) ***Proper Form of Notice***

To be in proper written form, a Nominating Shareholder’s notice to the corporate secretary must comply with all the provisions of this Article 10.10 and disclose or include, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a “**Proposed Nominee**”):
  - (i) the name, age, business and residential address of the Proposed Nominee;
  - (ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;
  - (iii) the number of securities of each class of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iv) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;
  - (v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the *Business Corporations Act* or applicable securities law; and

- (vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as director under the provisions of subsection 124(2) of the *Business Corporations Act*; and
- (b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:
  - (i) their name, business and residential address;
  - (ii) the number of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;
  - (iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
  - (v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;
  - (vi) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
  - (vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and
  - (viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or as required by applicable securities law.

Reference to “**Nominating Shareholder**” in this section 10.10(4) shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

(5) ***Currency of Nominee Information***

All information to be provided in a Timely Notice pursuant to this Article 10.10 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

(6) ***Delivery of Information***

Notwithstanding Part 23 of these Articles, any notice, or other document or information required to be given to the corporate secretary pursuant to this Article 10.10 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Company and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. (Vancouver time) and otherwise on the next business day.

(7) ***Defective Nomination Determination***

The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 10.10, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

(8) ***Failure to Appear***

Despite any other provision of this Article 10.10, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Company to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Company.

(9) ***Waiver***

The board may, in its sole discretion, waive any requirement in this Article 10.10.

(10) ***Definitions***

For the purposes of this Article 10.10, “**public announcement**” means disclosure in a press release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

**PART 11  
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

**11.1 Special Business**

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
  - (a) business relating to the conduct of or voting at the meeting;
  - (b) consideration of any financial statements of the Company presented to the meeting;
  - (c) consideration of any reports of the directors or auditor;
  - (d) the setting or changing of the number of directors;
  - (e) the election or appointment of directors;

- (f) the appointment of an auditor;
- (g) the setting of the remuneration of an auditor;
- (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
- (i) any non-binding advisory vote.

## **11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

## **11.3 Quorum**

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, a quorum for the transaction of business at a meeting of shareholders is present if any two shareholders who, in the aggregate, hold at least 10% of the voting rights attached to issued shares entitled to be voted at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

## **11.4 One Shareholder May Constitute Quorum**

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

## **11.5 Persons Entitled to Attend Meeting**

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the officers, any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

## **11.6 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

## **11.7 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

### **11.8 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

### **11.9 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the chief executive officer (“CEO”), if any.

### **11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or CEO present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the CEO are unwilling to act as chair of the meeting, or if the chair of the board and the CEO have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

### **11.11 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **11.12 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

### **11.13 Electronic Voting**

Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communications facilities, if the directors determine to make them available, whether or not persons entitled to attend participate in the meeting by means of communications facilities.

### **11.14 Decisions by Show of Hands or Poll**

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands by means of electronic, telephonic or other communications facility, unless a poll, before or on the declaration of the result of the vote by show of hands or the functional equivalent of a show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

**11.15 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands (or its functional equivalent) or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**11.16 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

**11.17 Casting Vote**

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

**11.18 Manner of Taking Poll**

Subject to Article 11.19, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
  - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

**11.19 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

**11.20 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

**11.21 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

**11.22 No Demand for Poll on Election of Chair**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

**11.23 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

**11.24 Retention of Ballots and Proxies**

The Company or its agent must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company or its agent may destroy such ballots and proxies.

**PART 12  
VOTES OF SHAREHOLDERS**

**12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

**12.2 Votes of Persons in Representative Capacity**

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

**12.3 Votes by Joint Holders**

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

**12.4 Legal Personal Representatives as Joint Shareholders**

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

## **12.5 Representative of a Corporate Shareholder**

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must be received:
  - (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned or postponed meeting; or
  - (b) at the meeting or any adjourned or postponed meeting, by the chair of the meeting or adjourned or postponed meeting or by a person designated by the chair of the meeting or adjourned or postponed meeting;
- (2) if a representative is appointed under this Article 12.5:
  - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company or its transfer agent by written instrument, fax or any other method of transmitting legibly recorded messages.

## **12.6 When Proxy Holder Need Not Be Shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (4) the Company is a public company.

## **12.7 When Proxy Provisions Do Not Apply to the Company**

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.



**12.8 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. The instructing of proxy holders may be carried out by means of telephonic, electronic or other communications facility in addition to or in substitution for instructing proxy holders by mail.

**12.9 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

**12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting;
- (2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting; or
- (3) be received in any other manner determined by the board or the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages or by using such available internet or telephone voting services as may be approved by the directors.

**12.11 Validity of Proxy Vote**

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

**12.12 Form of Proxy**

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]

(the “Company”)

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned): \_\_\_\_\_

\_\_\_\_\_  
Signed [month, day, year]

\_\_\_\_\_  
[Signature of shareholder]

\_\_\_\_\_  
[Name of shareholder - printed]

**12.13 Revocation of Proxy**

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

**12.14 Revocation of Proxy Must Be Signed**

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

**12.15 Chair May Determine Validity of Proxy.**

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

**12.16 Production of Evidence of Authority to Vote**

The board or the chair of any meeting of shareholders may, but need not, at any time (including before, at or subsequent to the meeting) inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence for the purposes of determining a person’s share ownership as at the relevant record date and the authority to vote.

**PART 13  
DIRECTORS**

**13.1 Number of Directors**

The Company shall have a minimum of three and a maximum of 15 directors. The number of directors is the number within the minimum and maximum determined by the directors from time to time. If the number of directors has not been determined as provided in this section, the number of directors is the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special general meeting of the shareholders, or by the directors pursuant to Article 14.7.

**13.2 Change in Number of Directors**

If the number of directors is set under Article 13.1:

- (1) the shareholders may elect the directors needed to fill any vacancies in the board of directors up to that number; or
- (2) the directors, subject to Article 14.7, may appoint directors to fill those vacancies.

No decrease in the number of directors will shorten the term of an incumbent director.

**13.3 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

**13.4 Qualifications of Directors**

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

**13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine.

**13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

**13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of, or not in his or her capacity as, a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

**PART 14  
ELECTION AND REMOVAL OF DIRECTORS**

**14.1 Election at Annual General Meeting**

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set by the directors under these Articles; and

- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment, subject to being nominated in accordance with Article 10.10.

#### **14.2 Consent to be a Director**

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*; or
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

#### **14.3 Failure to Elect or Appoint Directors**

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) when his or her successor is elected or appointed; and
- (4) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

#### **14.4 Directors May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the directors.

#### **14.5 Remaining Directors' Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

#### **14.6 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **14.7 Additional Directors**

Notwithstanding Article 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.7 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.7.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment, subject to being nominated in accordance with Article 10.10.

**14.8      Ceasing to be a Director**

A director ceases to be a director when:

- (1)      the term of office of the director expires;
- (2)      the director dies;
- (3)      the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4)      the director is removed from office pursuant to Articles 14.9 or 14.10.

**14.9      Removal of Director by Shareholders**

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

**14.10     Removal of Director by Directors**

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company in accordance with the *Business Corporations Act* and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

**PART 15  
POWERS AND DUTIES OF DIRECTORS**

**15.1      Powers of Management**

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

**15.2      Appointment of Attorney of Company**

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

**PART 16**  
**INTERESTS OF DIRECTORS AND OFFICERS**

**16.1 Director Holding Other Office in the Company**

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

**16.2 No Disqualification**

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

**16.3 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

**PART 17**  
**PROCEEDINGS OF DIRECTORS**

**17.1 Meetings of Directors**

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

**17.2 Voting at Meetings**

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

**17.3 Chair of Meetings**

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any; or
- (2) in the absence of the chair of the board, the CEO, if any, if the CEO is a director; or
- (3) any other director chosen by the directors if:
  - (a) neither the chair of the board nor the CEO, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
  - (b) neither the chair of the board nor the CEO, if a director, is willing to chair the meeting; or
  - (c) the chair of the board and the CEO, if a director, have advised the corporate secretary, if any, or any other director, that they will not be present at the meeting.

#### **17.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors:

- (1) in person;
- (2) by telephone; or
- (3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person, or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

#### **17.5 Calling of Meetings**

A director may, and the corporate secretary or an assistant corporate secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

#### **17.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1 or as provided in Article 17.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone conversation with a director.

#### **17.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director has waived notice of the meeting.

#### **17.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

#### **17.9 Waiver of Notice of Meetings**

Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

Attendance of a director at a meeting of the directors is a waiver of notice of the meeting, unless that director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**17.10 Quorum**

The quorum necessary for the transaction of the business of the directors is a majority of the number of directors in office or such other number as the directors may determine from time to time.

**17.11 Validity of Acts Where Appointment Defective**

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

**17.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 17.12 may be by any written instrument, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

**PART 18  
BOARD COMMITTEES**

**18.1 Appointment and Powers of Committees**

The directors may, by resolution:

- (1) appoint one or more committees consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
  - (a) the power to fill vacancies in the board of directors;
  - (b) the power to remove a director or appoint additional directors;
  - (c) the power to set the number of directors;
  - (d) the power to create a committee of directors, create or modify the terms of reference for a committee of the directors, or change the membership of, or fill vacancies in, any committee of the directors;
  - (e) the power to appoint or remove officers appointed by the directors; and



- (3) make any delegation permitted by paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

**18.2 Obligations of Committees**

Any committee appointed under Article 18.1, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

**18.3 Powers of Board**

The directors may, at any time, with respect to a committee appointed under Article 18.1:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

**18.4 Committee Meetings**

Subject to Article 18.2(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Article 18.1:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

**PART 19  
OFFICERS**

**19.1 Directors May Appoint Officers**

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

**19.2 Functions, Duties and Powers of Officers**

The directors may, for each officer:

- (1) determine the functions and duties of the officer;

- (2) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

**19.3 Qualifications**

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

**19.4 Remuneration and Terms of Appointment**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

**PART 20  
INDEMNIFICATION**

**20.1 Definitions**

In this Part 20:

- (1) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director or an officer or former officer of the Company (each, an “**eligible party**”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of the Company:
  - (a) is or may be joined as a party; or
  - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) “**expenses**” has the meaning set out in the *Business Corporations Act*;
- (4) “**officer**” means an officer appointed by the board of directors.

**20.2 Mandatory Indemnification of Directors and Officers**

Subject to the *Business Corporations Act*, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding to the fullest extent permitted by the *Business Corporations Act*.

**20.3 Deemed Contract**

Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in Article 20.2.

#### **20.4 Permitted Indemnification**

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person, including directors, officers, employees, agents and representatives of the Company.

#### **20.5 Non-Compliance with *Business Corporations Act***

The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part 20.

#### **20.6 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, officer, employee or agent of the Company;
- (2) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

### **PART 21 DIVIDENDS**

#### **21.1 Payment of Dividends Subject to Special Rights**

The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

#### **21.2 Declaration of Dividends**

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

#### **21.3 No Notice Required**

The directors need not give notice to any shareholder of any declaration under Article 21.2.

#### **21.4 Record Date**

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

### **21.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

### **21.6 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

### **21.7 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

### **21.8 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

### **21.9 Dividend Bears No Interest**

No dividend bears interest against the Company.

### **21.10 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

### **21.11 Payment of Dividends**

Any dividend or other distribution payable in money in respect of shares may be paid;

- (1) by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing; or
- (2) by electronic transfer, if so authorized by the shareholder.

The mailing of such cheque or the forwarding by electronic transfer will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

### **21.12 Capitalization of Retained Earnings or Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

**PART 22**  
**ACCOUNTING RECORDS AND AUDITOR**

**22.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

**22.2 Inspection of Accounting Records**

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

**22.3 Remuneration of Auditor**

The directors may set the remuneration of the auditor of the Company.

**PART 23**  
**NOTICES**

**23.1 Method of Giving Notice**

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
  - (a) for a record mailed to a shareholder, the shareholder's registered address;
  - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
  - (a) for a record delivered to a shareholder, the shareholder's registered address;
  - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the delivery address of the intended recipient;
- (3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient;

- (6) creating and providing a record posted on or made available through a general accessible electronic source and providing written notice by any of the foregoing methods as to the availability of such record; or
- (7) as otherwise permitted by applicable securities legislation.

### **23.2 Deemed Receipt**

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and
- (4) delivered in accordance with Section 23.1(6), is deemed to be received by the person on the day such written notice is sent.

### **23.3 Certificate of Sending**

A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

### **23.4 Notice to Joint Shareholders**

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

### **23.5 Notice to Legal Personal Representatives and Trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
  - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

### **23.6 Undelivered Notices**

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

## **PART 24**

### **SEAL**

#### **24.1 Who May Attest Seal**

Except as provided in Articles 24.1(2) and 24.1(3), the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

#### **24.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

#### **24.3 Mechanical Reproduction of Seal**

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

**APPENDIX “C”  
HISTORICAL COMPENSATION INFORMATION**

This Appendix “C” presents information with respect to the Company’s executive compensation based on Form 51-102F6V - Statement of Executive Compensation - Venture Issuers in respect of the financial years ended June 30, 2020 (“**Fiscal 2020**”) and the financial year ended June 30, 2019 (“**Fiscal 2019**”).

Given that the Company was unlisted and did not carry on any active business during Fiscal 2020, the Board did not have a Compensation Committee nor did the Board have a formal process with respect to Director and NEO compensation; rather, the Board and its committees conducted its activities by way of consent resolution under applicable corporate law.

The following table sets forth all annual and long-term compensation for services paid to or earned by the former NEOs and directors for the three prior fiscal years:

**Table of compensation excluding compensation securities**

Name and Principal Position	Fiscal Year	Salary, Consulting fee, retainer or commission	Bonus (\$)	Committee or meeting fees	Value of perquisites	Value of All Other Compensation (\$)	Total Compensation (\$)
		(\$) (2)					
<b>Richard Redfern</b> <sup>(1)</sup> <i>Former CEO and Former Director</i>	2021	Nil..	Nil	Nil	Nil	Nil	Nil
	2020	7,500	Nil	Nil	Nil	Nil	7,500
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Mark Gelmon</b> <sup>(2)</sup> <i>Former CFO</i>	2021	10,000	Nil	Nil	Nil	Nil	10,000
	2020	15,000	Nil	Nil	Nil	Nil	15,000
	2019	-	-	-	-	-	-
<b>Ming Jang</b> <sup>(3)</sup> <i>Former Director</i>	2021	12,500	Nil	Nil	Nil	Nil	12,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	-	-	-	-	-	-
<b>Edgar Froese</b> <sup>(4)</sup> <i>Former Director</i>	2021	12,500	Nil	Nil	Nil	Nil	12,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	-	-	-	-	-	-
<b>Colin Watt</b> <sup>(5)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	-	-	-	-	-	-

**Notes:**

- (1) Appointed as a director and CEO on September 22, 2004. Formerly served as interim CFO. Resigned as CEO and director on August 4, 2020.
- (2) Appointed CFO on May 21,2020. Resigned as CFO on February 8, 2021.
- (3) Appointed director on May 21,2020. Resigned as director on February 8, 2021.
- (4) Appointed director on May 21,2020. Resigned as director on February 8, 2021.
- (5) Appointed director on May 21, 2020 and acted as Designated CEO following Mr. Redfern’s resignation. Resigned as director on February 8, 2021.

The only compensation plan available to the Company for its NEO and Directors during Fiscal 2020 and Fiscal 2019 was the stock option plan. During those financial years, the Company did not grant any stock options to its Directors or NEOs for services provided or to be provided, directly or indirectly, to the Company. During Fiscal 2020, no incentive stock options were exercised by the NEOs or Directors (nil as at June 30, 2019) and the plan was terminated in Fiscal 2020.



**APPENDIX “D”  
BOARD MANDATE**

See attached.



## **BOARD MANDATE**

The members of the board of directors (respectively, the “**Directors**” and the “**Board**”) have the responsibility to oversee the conduct of the business of Carbon Streaming Corporation (the “**Corporation**”) and to oversee the activities of management who are responsible for the day-to-day conduct of the business.

### **Section 1    Composition**

The Board shall be comprised of a majority of independent directors (and at a minimum, at least three independent Directors). The definition of independence is as provided by applicable law and stock exchange listing standards. No Director will be considered independent unless the Director has no “material relationship” (as such term is defined in National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators) with the Corporation, either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the Corporation.

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and coordinate the activities of the Board and to oversee execution by the Board of this written mandate. If the Chair is not independent, a majority of the Board’s independent Directors shall appoint (and if the Chair is in a conflict of interest with respect to a particular matter or matters, a majority of the Board’s independent Directors may appoint) an independent lead Director from among the Directors, who will be responsible for ensuring that the Directors who are independent (or non-conflicted) and management have opportunities to meet without management and non-independent (or conflicted, as applicable) Directors, as required, and will assume such other responsibilities as the independent Directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time.

The Board may, from time to time, engage consultants or members of the Corporation’s management team that are not directors of the Corporation, and these persons may attend meetings or portions of meetings as invited guests of the Board.

### **Section 2    Operation**

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting Committees of the full Board and determining Director compensation. Subject to the Corporation’s Articles and the *Business Corporations Act* (British Columbia), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to Committees of the Board.

The full Board considers all major decisions of the Corporation, except that certain analyses and work of the Board will be performed by standing Committees empowered to act on behalf of the Board. The Corporation may have a number of standing Committees, including the Audit Committee, the Compensation Committee and Corporate Governance, Nominating and Sustainability Committee, and has the authority to appoint other committees to steward certain other matters.

Each Committee shall operate according to the mandate approved by the Board and outlining its duties, responsibilities and the limits of authority delegated to it by the Board. The Board shall review and reassess the adequacy of the mandate of each Committee on a regular basis and, with respect to the Audit Committee, at least once a year.

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The Chair of the Board shall annually propose the leadership and membership of each Committee. In preparing recommendations, the Chair of the Board will take into account the preferences, skills and experience of each Director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

The Board will hold four regularly scheduled meetings each year. The Board shall meet at the end of its regular quarterly meetings without members of management being present, and as the Board otherwise deems necessary at non-regularly scheduled meetings. Special meetings will be called as necessary.

Directors are expected to attend all Board meetings and all Committee meetings where such Director is a member of such Committee, although it is understood that conflicts may occasionally arise that prevent a Director from attending a meeting. Attendance in person at Board meetings and Committee meetings is preferred, but attendance by teleconference or other electronic communication established by the Board or such Committee is permitted.

In advance of each regular Board and Committee meeting and, to the extent feasible each special meeting, information and presentation materials relating to matters to be addressed at the meeting will be distributed to each Director. It is expected that each Director will review presentation materials in advance of a meeting.

The Chair of the Board presides at all meetings of the Board and shareholders. Minutes of each meeting shall be prepared by the Corporate Secretary (or in his or her absence, a secretary who has been appointed for the purposes of the meeting). The Chief Executive Officer (the “CEO”), if he or she is not a Director, shall be available to attend all meetings of the Board or Committees of the Board upon invitation by the Board or any such Committee. Members of management and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board. Following each meeting, the Corporate Secretary will promptly report to the Board by way of providing draft copies of the minutes of the meetings. Supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any Director upon request to the CEO or Corporate Secretary.

### **Section 3    Responsibilities**

The Board is responsible under law to supervise the management of the business and affairs of the Corporation. In broad terms the stewardship of the Corporation involves the Board in strategic planning, risk identification, management and mitigation, senior management determination and succession planning, communication planning and internal control integrity.

### **Section 4    Specific Duties**

Without limiting the foregoing, the Board shall have the following specific duties and responsibilities:

#### **(1)      Legal Requirements**

- (a)      The Board has the oversight responsibility for meeting the Corporation’s legal requirements and for approving and maintaining the Corporation’s documents and records;
  - (b)      The Board has the statutory responsibility to:
    - (i)        manage or supervise the management of the business and affairs of the Corporation;
    - (ii)       act honestly and in good faith with a view to the best interests of the Corporation;
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- (iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
  - (iv) act in accordance with its obligations contained in the *Business Corporations Act* (British Columbia) and the regulations thereto, the Corporation's Articles, and other relevant legislation and regulations.
- (c) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
- (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - (ii) the filling of a vacancy among the Directors;
  - (iii) the issuance of securities;
  - (iv) the declaration of dividends;
  - (v) the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
  - (vi) the payment of a commission to any person in consideration of his or her purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;
  - (vii) the approval of management proxy circulars;
  - (viii) the approval of any take-over bid circular or directors' circular; and
  - (ix) the approval of annual financial statements of the Corporation.

## **(2) Strategy Determination**

The Board has the responsibility to adopt a strategic planning process for the Corporation and to participate with management directly or through its Committees in approving goals and the strategic plan for the Corporation by which the Corporation proposes to achieve its goals. Review of the ESG Policy and Impact Investing Policy on an annual basis should also form part of the strategic review process. The Board shall monitor the implementation and execution of the tasks constituent to the corporate strategy.

To be effective, the strategy will result in creation of value over the long term while always preserving the Corporation's ability to conduct its business while balancing the interests of its various stakeholders. For the purpose of this clause, "stakeholder" will mean any party, group or institution whose reasonable approval is required for the Corporation to execute its Board approved strategy.

## **(3) Managing Risk**

The Board has the responsibility to identify and understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to establish systems to monitor and manage those risks with a view to the long-term viability of the Corporation. It is the responsibility of management to ensure that the Board and its Committees are kept well informed of changing risks. The principal mechanisms through which the Board reviews risks are through the execution of the duties of its Committees and through the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

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**(4) Appointment, Training and Monitoring Senior Management**

The Board has the responsibility to:

- (a) appoint the CEO and establish a description of the CEO's responsibilities and other senior management's responsibilities, monitor and assess the CEO's performance, determine the CEO's compensation, and provide advice and counsel in the execution of the CEO's duties;
- (b) approve the remuneration of the Corporation's senior management; and
- (c) monitor the development and implementation for the training and development of management and for the orderly succession of management.

**(5) Reporting and Communication**

The Board has the responsibility to:

- (a) ensure compliance with the reporting obligations of the Corporation, including that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
- (b) recommend to shareholders of the Corporation a firm of certified professional accountants to be appointed as the Corporation's independent auditor;
- (c) ensure that the financial results of the Corporation are reported fairly and in accordance with generally accepted accounting principles;
- (d) ensure the timely reporting of any change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of the common shares of the Corporation;
- (e) establish a process for direct communications with shareholders and other stakeholders through appropriate Directors, including through a Whistleblower Policy; and
- (f) ensure that the Corporation has in place a policy to enable the Corporation to communicate effectively with its shareholders and the public generally.

**(6) Monitoring and Acting**

The Board has the responsibility to:

- (a) establish policies and processes for the Corporation to operate at all times within applicable laws and regulations to the highest ethical and moral standards (advancing the interests of the Corporation, including the pursuit of differentiating performance in meeting the reasonable needs of all stakeholders of the Corporation);
  - (b) ensure that management has and implements procedures to comply with, and to monitor compliance with, significant policies and procedures by which the Corporation is operated;
  - (c) monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
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- (d) take action when performance falls short of its goals and objectives or when other special circumstances warrant or when changing circumstances in the business environment create risks or opportunities for the Corporation;
- (e) approve annual (or more frequent, as the Board feels to be prudent from time to time) operating and capital budgets and review and consider amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business that may significantly impact the value of or opportunities available to the Corporation; and
- (f) implement internal control and information systems and to monitor the effectiveness of same so as to allow the Board to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

**(7) Governance**

The Board has the responsibility to:

- (a) develop a position description for the Chair of the Board;
- (b) facilitate the continuity, effectiveness and independence of the Board by, among other things:
  - (i) appointing from among the Directors an Audit Committee, a Compensation Committee and Corporate Governance, Nominating and Sustainability Committee, and such other committees as the Board deems appropriate;
  - (ii) defining the mandate, including both responsibilities and delegated authorities, of each Committee of the Board;
  - (iii) establishing a system to enable any Director to engage an outside adviser at the expense of the Corporation;
  - (iv) ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each Director, each Committee and each Committee's Chair;
  - (v) reviewing annually the composition of the Board and its Committees and assess Directors' performance on an ongoing basis, and propose new members to the Board; and
  - (vi) reviewing annually the adequacy and form of the compensation of the Directors.

**Section 5 Director Orientation and Continuing Education**

New Directors will be provided with an orientation to, among other things, fully understand the role of the Board and its committees, the contribution individual directors are expected to make, and the nature and operation of the Corporation's business.

Directors will also be provided continuing education opportunities so that individual directors may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

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## **Section 6 Conflicts of Interest**

- (a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Each Director serves in his or her personal capacity and not as an employee, agent or representative of any other company, organization or institution, even if the Director is employed by a shareholder or any other entity which does business with the Corporation.
- (b) A Director shall promptly disclose to the Chair of the Board any circumstances such as an office, property, duty or interest, which might create a conflict or perceived conflict with that Director's duty to the Corporation or proposed contract or transaction of or with the Corporation.
- (c) The disclosures contemplated in paragraphs (b) and (c) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any Committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur by e-mail to the other Directors immediately upon realization of the conflicting situation and then confirmed at the first Board and/or Committee meeting after the Director becomes aware of the potential conflict of interest that is attended by the conflicted Director.
- (d) Each Director will, on an annual basis, disclose all entities to which it is related, affiliated or in which it holds a direct or indirect interest that may do business with the Corporation or operate in the same industry.
- (e) A Director's disclosure to the Board or a Committee of the Board shall disclose the full nature and extent of that Director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board or such Committee of the Board.
- (f) Directors shall not use information obtained as a result of acting as a Director for personal benefit or for the benefit of others.
- (g) Any Director shall not use or provide to the Corporation any information known by the Director that, through a relationship with a third party, the Director is not legally able to use or provide.
- (h) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a Director.

## **Section 7 Mandate Review**

This Mandate shall be annually reviewed and assessed and the Board shall make any changes necessary.

## **Section 8 General**

The Board may perform any other activities consistent with this Mandate, the Corporation's Articles and any governing laws as the Board deems necessary or appropriate.

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

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**Notice of Annual and  
Special Meeting of Shareholders**

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**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Carbon Streaming Corporation (the “**Company**”) will be held at the offices of the Company, 4 King Street West, Suite 401, Toronto, Ontario, Canada, M5H 1B6 on Friday, November 12, 2021 at 10:00 a.m. (Toronto Time), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the financial year ended June 30, 2021 together with the report of the auditor thereon;
2. to fix the number of directors of the Company at seven;
3. to elect seven directors of the Company for the ensuing year;
4. to appoint Baker Tilly WM LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the board of directors to fix their remuneration;
5. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the Company’s Omnibus Long-Term Incentive Plan, as more particularly described in the Circular (as hereinafter defined) and approval of the unallocated rights and entitlements under such plan;
6. to consider, and, if deemed appropriate, approve an ordinary resolution, the full text of which is set out in the Circular, to amend and restate the articles of the Company; and
7. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

**IMPACT OF COVID-19**

This year, to deal with the ongoing public health impact of the ongoing novel coronavirus disease pandemic (“COVID-19”) and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, Shareholders of the Company are strongly encouraged to listen to the Meeting via live audio webcast or teleconference instead of attending the Meeting in person. All shareholders of the Company are strongly encouraged to cast their vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Circular accompanying this Notice of Meeting.

The specific details of the foregoing matters to be put before the Meeting are set forth in the accompanying Management Information Circular (the “**Circular**”), which is deemed to form part of this notice of meeting (“**Notice of Meeting**”). The audited consolidated financial statements and related management’s discussion and analysis (“**MD&A**”) for the Company for the financial year ended June 30, 2021 is mailed to those shareholders who have previously requested to receive them. Otherwise, they are available upon request to the Company, on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com). This Notice of Meeting is accompanied by the Circular, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders and a supplemental mailing list return card (collectively, the “**Meeting Materials**”). Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose.

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The Company has elected to use the notice-and-access provisions under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* (the “**Notice-and-Access Provisions**”) for the Meeting. Notice- and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing the Company to post the Circular and any additional materials online. Under the Notice-and-Access Provisions, instead of receiving printed copies of the Meeting Materials, Shareholders will receive a notice-and-access notification containing details of the Meeting date, location and purpose, as well as information on how they can access the Meeting Materials electronically.

The Meeting Materials will be available at [www.carbonstreaming.com](http://www.carbonstreaming.com) and under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) as of October 15, 2021. The Company will mail paper copies of the applicable Meeting Materials to those registered and beneficial Shareholders who previously elected to receive paper copies. Shareholders who wish to receive paper copies of the Meeting Materials may request copies from Odyssey Trust Company by calling +1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America) or by email at [www.odysseycontact.com](mailto:info@odysseycontact.com). If you have any questions about the information contained in the Circular, or require any assistance in completing your form of proxy, please contact the Odyssey Trust Company at the above noted number or contact the Company by e-mail at [info@carbonstreaming.com](mailto:info@carbonstreaming.com).

In order to allow for reasonable time to be allotted for a Shareholder to receive and review a paper copy of the Circular prior to the proxy deadline, any Shareholder wishing to request a paper copy of the Circular as described above should ensure such request is received no later than October 26, 2021.

The accompanying Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice of Meeting. Shareholders are reminded to review the Circular before voting. The procedures by which Shareholders may exercise their right to vote with respect to the matters at the Meeting will vary depending on whether a Shareholder is a registered Shareholder (that is, a Shareholder who holds Common Shares directly in his, her or its own name and is entered on the register of Shareholders) (“**Registered Shareholders**”) or a non-registered Shareholder (that is, a Shareholder who holds Common Shares through an intermediary such as a bank, trust company, securities dealer or broker) (“**Non-Registered Shareholders**”).

Your vote is very important to us. Registered Shareholders are entitled to vote at the Meeting or in advance of the Meeting by dating, signing and returning the enclosed form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the form of proxy must be deposited with the Company’s registrar and transfer agent, Odyssey Trust Company: (i) by mail, using the enclosed return envelope or one addressed to Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department; (ii) by hand delivery to Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8; or (iii) through the internet by using the control number located at the bottom of your form of proxy at <https://login.odysseytrust.com/pxlogin>, on or before 10:00 a.m. (Toronto time) on Wednesday, November 10, 2021 or not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

Non-Registered Shareholders must seek instructions on how to complete their voting instruction form and vote their Common Shares from their broker, trustee, financial institution or other nominee, as applicable.

Shareholders of record at the close of business on September 17, 2021 are entitled to receive notice of and vote at the Meeting.

If you are a Registered Shareholder and have any questions relating to the Meeting, please contact Odyssey Trust Company by telephone +1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America) or by email via [www.odysseycontact.com](http://www.odysseycontact.com). If you are a NonRegistered Shareholder and have any questions relating to the Meeting, please contact your intermediary through which you hold your Common Shares or the Company at: +1-647-846-7765 or by email at [info@carbonstreaming.com](mailto:info@carbonstreaming.com).

If you are a Non-Registered Shareholder and have any questions about how to vote your shares, please contact your intermediary through which you hold your Common Shares.

**DATED** at Toronto, Ontario this 30th day of September, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
CARBON STREAMING CORPORATION**

*(signed) Justin Cochrane*

Justin Cochrane  
President & Chief Executive Officer



NEO Exchange: NETZ  
FSE: M2QA

## NEWS RELEASE

### **CARBON STREAMING ADDS NEW MANAGEMENT TO EXECUTE ON GROWING PIPELINE AND U.S. LISTING STRATEGY**

*NEW COO and EVP to strengthen deal team and focus on U.S. listing strategy*

TORONTO, ONTARIO, October 5, 2021 – Carbon Streaming Corporation (NEO: NETZ) (FSE: M2QA) (“**Carbon Streaming**” or the “**Company**”) is pleased to announce the addition of two strategic leadership roles which will greatly assist the Company in developing and executing on its growing investment pipeline as well as pursuing its potential U.S. listing in the first half of 2022.

Carbon Streaming’s CEO Justin Cochrane said: “On behalf of the entire organization I would like to extend a very warm welcome to Mr. Geoff Smith and Mr. Derek Sawkins. I look forward to working with each of them as we endeavor to realize our ambitious growth plans in the months and years ahead.” Mr. Cochrane continued, “These appointments represent roles critical to advancing and executing our unique business strategy, and we are very fortunate to have such talent and experience coming onboard with Geoff and Derek.”

**Geoff Smith** (President and Chief Operating Officer) brings the benefit of over 15 years of M&A and corporate finance experience having advised on or financed many of the largest and most complex and innovative streaming transactions in the past 10 years. Geoff joins Carbon Streaming from his role as Managing Director for Scotiabank’s Investment Banking Division; his team was critical to both structuring and financing billions of dollars of royalties and streams in the natural resource sector. The addition of Mr. Smith to the team comes at a key time as management prepares for a potential U.S. listing and looks to execute on its growing investment pipeline. Mr. Smith holds an Honours Bachelor of Commerce degree from Queen’s University (Canada) and is a CFA charterholder.

**Derek Sawkins** (EVP, Investments & Strategy) has over 15 years of experience in business development, M&A, corporate finance and principal investing in the technology, resource, and private market sectors. Most recently, Derek served as Senior Vice President of Corporate Development and Strategy at INVIDI Technologies Corporation. Derek spent six years in the investment banking group at National Bank of Canada where he advised on mergers, acquisitions and financings across diversified industries including resource, forestry, clean tech and energy technology. He is the former Executive Producer and Chief Curator of TEDxVancouver, and a founder of Energy Aware, a clean energy technology company that was acquired by Generac Power Systems in 2019. Mr. Sawkins holds a Bachelor of Commerce and Finance from the University of British Columbia (Canada).

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With these appointments, Mr. Smith becomes President and COO and is responsible for overseeing strategic financing initiatives and global operations for the Company. Mr. Sawkins will be a key member of Carbon Streaming's investment team and will be responsible for implementing the Company's strategy in sourcing carbon projects for development and executing on the Company's investment pipeline. Mr. Cochrane will continue to lead Carbon Streaming through the execution of its strategy to become the premiere source of financing for developers of carbon offset projects, and the monetization of those credits to assist corporations in their pursuit of a net-zero carbon economy. These additions will also allow Mr. Cochrane to remain focused on the outreach to investors and new markets.

### **About Carbon Streaming Corporation**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

If you would like to receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

### **ON BEHALF OF THE COMPANY:**

Justin Cochrane, CEO  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

### **Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, 'forward-looking information') within the meaning of applicable securities laws. 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 (including, without limitation, statements with respect to the potential listing of the Company on a U.S. exchange and the timing thereof) are forward-looking information. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's AIF dated as of September 27, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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NEO Exchange: NETZ  
FSE: M2QA

## NEWS RELEASE

### CARBON STREAMING ANNOUNCES ANNUAL FINANCIAL RESULTS

TORONTO, ONTARIO, September 28, 2021 – Carbon Streaming Corporation (NEO: NETZ) (FSE: M2QA) (“**Carbon Streaming**” or the “**Company**”) has released its audited financial statements and management’s discussion and analysis for the fiscal year ended June 30, 2021.

Carbon Streaming’s President and CEO Justin Cochrane said: “The last year has been a time of profound growth for Carbon Streaming, as we directed investment into laying the foundation for success by expanding our expert management team and building an impressive pipeline of exceptional carbon credit investment opportunities. In just a few short months our team has generated incredible momentum for the Company, and we will continue to focus on leveraging our capital markets access and expertise to help fight climate change.”

#### Fiscal Year 2021 and Recent Highlights:

- The Company successfully listed its common shares (“**Common Shares**”) on the NEO Stock Exchange (the “**NEO Exchange**”) under the trading symbol “NETZ” and also commenced trading on the Frankfurt Stock Exchange under the symbol “M2QA”.
  - In July 2021, the Company raised US\$104.9 million through a non-brokered private placement of Special Warrants (the “**Private Placement**”), which will be automatically exercised for one Common Share and one full Common Share purchase warrant (a “**Warrant**”) with a term of 62 months at an exercise price of US\$1.50 per Warrant.
  - Prior to June 30, 2021, the Company also raised a total of US\$39.6 million (C\$49 million) through private placements of Common Shares and units.
  - As of June 30, 2021, the Company had US\$108.4 million (C\$134.3 million) in cash and no corporate debt. As of August 31, 2021, the Company’s cash balance was US\$112.1 million (C\$141.5 million), which reflects the receipt of all proceeds of the Private Placement (which closed after year-end) and payment of the upfront deposits for the Rimba Raya stream.
  - The Company signed three carbon credit streaming agreements: the Rimba Raya Project, MarVivo Project and Cerrado Biome Project as well as an exclusive term sheet with the Bonobo Conservation Initiative. These projects represent the foundation for the Company’s anticipated diverse portfolio of high-quality carbon credits. More information on these projects is available on the Company’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com), and in the Company’s Annual Information Form on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).
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- The Company announced that it is implementing a 1-for-5 consolidation (reverse stock split) of its common shares, which subject to approval of the NEO Exchange, are expected to commence trading on a post-consolidation basis in the coming weeks. The share consolidation is an important step in the Company's U.S listing strategy. The Company is further exploring stock exchange listing opportunities in the United States and is targeting to be listed on a U.S. stock exchange, such as NASDAQ or NYSE, in the first half of 2022.

### **About Carbon Streaming Corporation**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

If you would like to receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

### **ON BEHALF OF THE COMPANY:**

Justin Cochrane, President and CEO  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

### **INVESTOR INQUIRIES:**

[investors@carbonstreaming.com](mailto:investors@carbonstreaming.com).

### **Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, 'forward-looking information') within the meaning of applicable securities laws. 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 (including the ability to execute its strategy, timing of the share consolidation and the ability of the Company to obtain a U.S. stock exchange listing) are forward-looking information. This forward looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's Annual Information Form dated as of September 27, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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FORM 13-501F2  
CLASS 2 REPORTING ISSUERS - PARTICIPATION FEE  
MANAGEMENT CERTIFICATION

I, **Conor Kearns**, an officer of the reporting issuer noted below have examined this Form 13- 501F2 (the **Form**) being submitted hereunder to the Alberta Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

<u>(s) “Conor Kearns”</u>	<u>September 27, 2021</u>
Name:Conor Kearns	Date:
Title: Chief Financial Officer	

Reporting Issuer Name: Carbon Streaming Corporation

End date of previous financial year: June 30, 2021

Financial Statement Values:

(Use stated values from the audited financial statements of the reporting issuer as of the end of its previous financial year)

Retained earnings or deficit	\$ <u>-21,969,203</u> (A)
Contributed surplus	\$ <u>3,966,121</u> (B)
Share capital or owners’ equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes)	\$ <u>151,896,013</u> (C)
Non-current borrowings (including the current portion)	\$ <u>0</u> (D)
Finance leases (including the current portion)	\$ <u>0</u> (E)
Non-controlling interest	\$ <u>0</u> (F)
Items classified on the statement of financial position as non-current liabilities (and not otherwise listed above)	\$ <u>0</u> (G)
Any other item forming part of equity and not set out specifically above	\$ <u>0</u> (H)
Capitalization for the previous financial year (Add items (A) through (H))	\$ <u>133,892,931.00</u>
Participation Fee	\$ <u>6,500.00</u>
Late Fee, if applicable	\$ <u>0</u>
Total Fee Payable (Participation Fee plus Late Fee)	\$ <u>6,500.00</u>

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**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020  
(EXPRESSED IN CANADIAN DOLLARS)**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Carbon Streaming Corporation:

### ***Opinion***

We have audited the consolidated financial statements of Carbon Streaming Corporation and its subsidiary (together the "Company"), which comprise the consolidated statements of financial position as at June 30, 2021 and 2020, and the consolidated statements of net and comprehensive loss, consolidated statements of changes in shareholders' (deficiency) equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

### ***Basis for Opinion***

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

### ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion & Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **ASSURANCE • TAX • ADVISORY**

*Baker Tilly WM LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

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***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
-

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Anna C. Moreton.

*Baker Tilly WM LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.

September 27, 2021

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**CARBON STREAMING CORPORATION**  
**Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

	As at June 30, 2021	As at June 30, 2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 134,327,884	\$ 310,202
Amounts receivable and prepaid	246,308	2,934
	134,574,192	313,136
<b>Non-Current Assets</b>		
Carbon credit streaming investment (Note 4)	604,200	-
<b>Total Assets</b>	<b>\$ 135,178,392</b>	<b>\$ 313,136</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 1,285,461	\$ 131,815
<b>Total Liabilities</b>	<b>1,285,461</b>	<b>131,815</b>
<b>Shareholders' Equity</b>		
Share capital (Note 6)	64,084,245	14,551,527
Special warrants subscriptions (Note 6)	87,811,768	-
Share-based payment reserve	3,966,121	1,885,388
Deficit	(21,969,203)	(16,255,594)
<b>Total Shareholders' Equity</b>	<b>133,892,931</b>	<b>181,321</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 135,178,392</b>	<b>\$ 313,136</b>

Nature and continuance of operations (Note 1)  
Subsequent events (Note 14)

**Approved on behalf of the Board:**

"Justin Cochrane", Director

"Saurabh Handa", Director

The accompanying notes are an integral part of these consolidated financial statements.

**CARBON STREAMING CORPORATION**  
**Consolidated Statements of Net and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

	Years Ended June 30,	
	2021	2020
<b>Expenses</b>		
Consulting fees (Note 9)	\$ 2,100,230	\$ 14,000
Foreign exchange (gain) loss	(419,622)	10,448
Marketing	233,837	-
Office and general	164,086	157
Professional fees	717,304	61,708
Regulatory fees	261,197	63,826
Salaries and fees (Note 9)	575,844	7,500
Share based compensation (Notes 8 and 9)	2,080,733	-
<b>Loss before other items</b>	<b>(5,713,609)</b>	<b>(157,639)</b>
<b>Other items</b>		
Recovery on settlement of debt	-	48,885
<b>Net and Comprehensive Loss for the Year</b>	<b>\$ (5,713,609)</b>	<b>\$ (108,754)</b>
<b>Basic and Diluted Loss per Share</b>	<b>\$ (0.14)</b>	<b>\$ (0.08)</b>
<b>Weighted Average Number of Common Shares Outstanding - Basic and Diluted</b>	<b>40,169,395</b>	<b>1,282,485</b>

The accompanying notes are an integral part of these consolidated financial statements.

**CARBON STREAMING CORPORATION**  
**Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**

	<b>Years Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Net loss for the year	\$ (5,713,609)	\$ (108,754)
Items not affecting cash		
Foreign exchange	215,315	10,448
Recovery on settlement of debt	-	(48,885)
Share based compensation	2,080,733	-
Units issued for services	415,000	-
Changes in non-cash working capital items		
Amounts receivable and prepaid	(243,374)	(2,934)
Accounts payable and accrued liabilities	1,153,646	(57,704)
<b>Net Cash Used in Operating Activities</b>	<b>(2,092,289)</b>	<b>(207,829)</b>
<b>Investing Activity</b>		
Carbon credit streaming investment	(604,200)	-
<b>Net Cash Used in Investing Activity</b>	<b>(604,200)</b>	<b>-</b>
<b>Financing Activities</b>		
Common shares issued for cash, net of costs (Note 6(b))	47,422,718	705,027
Common shares issued on exercise of warrants (Note 6(b))	1,695,000	-
Special warrants subscriptions (Note 6(b))	87,811,768	-
Repayment of amounts due to related parties	-	(186,996)
<b>Net Cash Provided by Financing Activities</b>	<b>136,929,486</b>	<b>518,031</b>
<b>Effect of foreign exchange on cash</b>	<b>(215,315)</b>	<b>-</b>
<b>Net change in Cash</b>	<b>134,232,997</b>	<b>310,202</b>
<b>Cash, Beginning of Year</b>	<b>310,202</b>	<b>-</b>
<b>Cash, End of Year</b>	<b>\$ 134,327,884</b>	<b>\$ 310,202</b>
<b>Supplemental Information</b>		
Income taxes paid	\$ -	\$ -
Interest paid (received)	\$ -	\$ -
Units issued for service fees	\$ 415,000	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

**CARBON STREAMING CORPORATION**  
**Consolidated Statements of Changes in Shareholders' (Deficiency) Equity**  
**(Expressed in Canadian Dollars)**

	Share Capital		Special warrants	Share- based payment	Deficit	Total
	Number	Amount	subscriptions	reserve		
<b>Balance, June 30, 2019</b>	<b>695,636</b>	<b>\$13,846,500</b>	<b>\$ -</b>	<b>\$1,885,388</b>	<b>(16,146,840)</b>	<b>(414,952)</b>
Shares issued for cash, net of costs (Note 6(b))	14,280,000	705,027	-	-	-	705,027
Net loss for the year	-	-	-	-	(108,754)	(108,754)
<b>Balance, June 30, 2020</b>	<b>14,975,636</b>	<b>14,551,527</b>	<b>-</b>	<b>1,885,388</b>	<b>(16,255,594)</b>	<b>181,321</b>
Shares issued for cash, net of costs (Note 6(b))	74,430,268	47,422,718	-	-	-	47,422,718
Units issued for service fees (Note 6(b))	498,333	415,000	-	-	-	415,000
Shares issued on exercise of warrants (Note 6(b))	13,460,000	1,695,000	-	-	-	1,695,000
Receipts for special warrants (Note 6(b))	-	-	87,811,768	-	-	87,811,768
Share based compensation (Note 8)	-	-	-	2,080,733	-	2,080,733
Net loss for the year	-	-	-	-	(5,713,609)	(5,713,609)
<b>Balance, June 30, 2021</b>	<b>103,364,237</b>	<b>\$64,084,245</b>	<b>\$ 87,811,768</b>	<b>\$3,966,121</b>	<b>(21,969,203)</b>	<b>133,892,931</b>

The accompanying notes are an integral part of these consolidated financial statements.

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**CARBON STREAMING CORPORATION**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

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**1. Nature and continuance of operations**

Carbon Streaming Corporation (formerly Mexivada Mining Corp.) (the “Company”) was incorporated on September 13, 2004 under the *Business Corporations Act* (British Columbia), and historically its principal activity was the exploration of mineral properties.

On June 15, 2020, the Company changed its name to Carbon Streaming Corporation and repurposed its principal activity as a streaming and royalty investment vehicle that offers investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits. The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed.

Subsequent to the year end, on July 26, 2021, the Neo Exchange Inc. (“NEO Exchange”) granted final approval of the Company’s listing application and the Company commenced trading on the NEO Exchange on July 27, 2021, under the symbol “NETZ”. On July 30, 2021, the Company announced that it has listed on the Frankfurt Stock Exchange under the symbol “M2QA”.

The head office and principal address of the Company are located at 4 King Street West, Toronto, Ontario, Canada, M5H 1B6. The Company’s registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These consolidated financial statements of the Company for the year ended June 30, 2021 were approved and authorized for issue by the Board of Directors on September 27, 2021.

**2. Basis of presentation**

*Statement of compliance*

These consolidated financial statements (the “financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

*Basis of presentation*

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars, which is the Company’s functional currency.



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**2. Basis of presentation (continued)**

Basis of consolidation

These financial statements include the accounts of the Company and its wholly-owned subsidiary, 1253661 B.C. Ltd., which was acquired on June 17, 2020 in conjunction with a three-cornered amalgamation (the “Transaction”).

The three-cornered amalgamation was executed between a then existing subsidiary of the Company, 1247374 B.C. Ltd. (“Subco”), and a third company 1247372 B.C. Ltd (“Fundco”). At the time of the Transaction, neither Subco nor Fundco met the definition of a business under IFRS 3, *Business Combinations*. Prior to the Transaction, Fundco had advanced loans to the Company. The Transaction was recognized as a transaction with owners whereby the Company received cash of \$714,000 and issued 14,280,000 common shares to the former shareholders of Fundco. Subco and Fundco amalgamated as part of the Transaction and continued as 1253661 B.C. Ltd.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the periods of change, if the change affects that period only, or in the period of the change of future periods, if the change affects both.

The preparation of these financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in the Company’s financial statements include:

Accounting for streaming interests

The Company from time to time will acquire streaming interests. Each streaming interest agreement has its own unique terms and significant judgment is required to assess the appropriate accounting treatment.

Share based compensation

The Company includes an estimate of share price volatility, expected life, forfeiture rate and risk-free interest rates in the calculation of the fair value for share based payments. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact earnings.

Deferred taxes

The Company recognizes the deferred tax benefit related to tax assets and tax losses to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit and expected timing of reversals of existing temporary differences. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from tax assets and tax losses.

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**3. Significant accounting policies**

(a) Cash

Cash on the consolidated statements of financial position is comprised of cash at banks, or held in trust, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash, and subject to insignificant risk of changes in value.

(b) Foreign currency translation

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. These financial statements are presented in Canadian dollars which is the parent Company's functional and presentation currency. The functional currency of the Company's subsidiary is also the Canadian dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

(c) Streaming interests

The classification of streaming interests under IFRS is complex and subject to significant judgment due to the lack of specific guidance and the number of factors that must be considered. Streaming interests may be accounted for by the investor in a number of ways based on an analysis of all of the relevant facts and circumstances as well as the substance of the agreement. The Company classifies streaming interests as tangible assets where the agreement is settled by the receipt of the underlying commodity.

Streaming interests are initially recorded at their cost based on consideration paid to acquire the asset. These tangible assets have finite lives and are amortized and depleted using the units-of-production method over the life of the project to which the interest relates, which is estimated using available information of verifiable emission reductions. The amortization and depletion expense will be included in the profit or loss.

(d) Financial instruments

i) Recognition

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectation of recovering the contractual cash flows of a financial asset.

**3. Significant accounting policies (Continued)**

(d) Financial instruments (continued)

ii) Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at FVTOCI or amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

Financial instruments measured at amortized cost utilize the effective interest rate method of accounting. The ‘effective interest rate’ is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. Interest expense is reported in profit or loss.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at FVTOCI.

The Company classifies its financial assets and liabilities under IFRS 9 as follows:

<b><u>Financial assets / liabilities</u></b>	<b><u>Classification</u></b>
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost

**3. Significant accounting policies (Continued)**

(d) Financial instruments (continued)

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(e) Impairment of long lived assets

The carrying amount of the Company's long lived assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Long lived assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

(f) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of share options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding share options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. When a loss is incurred during the period, basic and diluted losses per share are the same as the exercise of the stock options and warrants is considered to be anti-dilutive. As at June 30, 2021, the Company has nil (2020 - nil) potentially dilutive shares outstanding.

**3. Significant accounting policies (Continued)**

(g) Income taxes

Current income tax

Current income tax assets and liabilities for the period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(h) Share capital and warrants

Share capital represents the value of the shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital.

From time to time, the Company may issue units consisting of common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on the quoted market price and the balance, if any, is allocated to the attached warrants.

(i) Share based compensation

The Company follows the fair value method of accounting for the issuance of stock options and restricted share units ("RSU") granted to officers, employees, directors, advisors and consultants. The grant date fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company's common shares and the expected life of the options. The number of stock option awards expected to vest are estimated using a forfeiture rate based on historical experience and future expectations. The fair value of the RSUs is determined by the quoted market price of the Company's common shares at date of grant. Share based compensation is amortized to profit or loss over the vesting period of the related option or RSU.

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**3. Significant accounting policies (Continued)**

(i) Share based compensation (continued)

At the discretion of the Board of Directors, RSUs may be settled in equity, cash or a combination of both. The fair value of RSUs, which are settled in equity, is recognized as a share based compensation expense with a corresponding increase in reserves, over the vesting period. The fair value of RSUs, when settled in cash, is recognized as a share based compensation expense with a corresponding increase in liabilities, over the vesting period.

The Company uses graded or accelerated amortization which specifies that each vesting tranche must be accounted for as a separate arrangement with a unique fair value measurement. Each vesting tranche is subsequently amortized separately and in parallel from the grant date.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the estimated fair value.

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the Company as consideration cannot be estimated reliably, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Accounting standards, amendments and interpretations issued

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

**4. Carbon credit streaming investment**

On June 3, 2021, the Company entered into an exclusive term sheet with the Bonobo Conservation Initiative ("BCI") to provide initial funding for BCI to develop two carbon credit projects within the Bonobo Peace Forest located in the Democratic Republic of Congo. As at June 30, 2021, the Company has advanced \$604,200 (US\$500,000) to BCI to develop its feasibility study. The Company and BCI are in negotiations to finalize the terms of the term sheet.

**5. Accounts payable and accrued liabilities**

	<b>As at June 30, 2021</b>	<b>As at June 30, 2020</b>
Accounts payable	<b>\$ 1,044,588</b>	<b>\$ 76,443</b>
Accrued liabilities	<b>195,617</b>	<b>47,872</b>
Due to related parties	<b>45,256</b>	<b>7,500</b>
	<b>\$ 1,285,461</b>	<b>\$ 131,815</b>

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**6. Share capital**

a) Authorized share capital

Unlimited number of voting common shares without par value and unlimited number of preferred shares without par value.

b) Issued share capital

On June 15, 2020, the Company completed a 100-old for 1-new share consolidation and a name change. All common shares, warrants, options, loss per share, per share and per unit prices and the weighted average number of shares outstanding have been retroactively restated to reflect this share consolidation.

At June 30, 2021, there were 103,364,237 issued and fully paid common shares (June 30, 2020 - 14,975,636).

(i) During June 2020, the Company issued 14,280,000 units, in conjunction with a three-cornered amalgamation (note 2), for gross proceeds of \$714,000. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.125 until April 22, 2025. The Company incurred issuance costs totalling \$8,973 in conjunction with this financing.

(ii) During December 2020, the Company, in two tranches, issued 4,850,000 units for gross proceeds of \$242,500. Each unit is comprised of one common share and one share purchase warrant, with 1,400,000 warrants exercisable at \$0.125 until December 16, 2025 and 3,450,000 warrants exercisable at \$0.125 until December 22, 2025.

(iii) On January 27, 2021, the Company closed a non-brokered private placement of 14,670,000 units at \$0.25 per unit for gross proceeds of \$3,667,500. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.75 until January 27, 2026.

(iv) On March 11, 2021, the Company closed a non-brokered private placement of 43,299,268 units at \$0.75 per unit for gross proceeds of \$32,474,451. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$1.50 until March 2, 2026. In connection with this private placement, the Company paid cash commission of \$43,200 and other cash costs of \$91,512.

(v) On May 12, 2021, the Company closed a non-brokered private placement of 11,611,000 common shares at \$1.00 per share for gross proceeds of \$11,611,000.

(vi) During the year ended June 30, 2021, the Company issued 13,460,000 common shares for the exercise of warrants for gross proceeds of \$1,695,000. The weighted average market price of the common shares issued was \$3.67.

(vii) On April 9, 2021, in exchange for services, the Company issued 333,333 units measured at the fair value of services received of \$250,000. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$1.50 until March 2, 2026.

(viii) On June 2, 2021, in exchange for services, the Company issued 165,000 common shares measured at the fair value of services received of \$165,000.

(ix) As at June 30, 2021, the Company had received \$87,811,768 of gross proceeds related to a non-brokered private placement which closed on July 20, 2021 (see note 14(i)). These funds have been reflected as special warrants subscriptions.

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**7. Warrants**

The following table reflects the continuity of warrants for the years ended June 30, 2021 and 2020:

	<b>Number of warrants</b>	<b>Weighted average exercise price (\$)</b>
<b>Balance, June 30, 2019</b>	-	-
Issued (note 6(i))	14,280,000	0.13
<b>Balance, June 30, 2020</b>	<b>14,280,000</b>	<b>0.13</b>
Issued (note 6(ii)(iii)(iv)(vii))	63,152,601	1.22
Exercised (note 6(vi))	(13,460,000)	0.13
<b>Balance, June 30, 2021</b>	<b>63,972,601</b>	<b>1.21</b>

The following table reflects the Company's warrants outstanding and exercisable as at June 30, 2021:

<b>Expiry date</b>	<b>Warrants outstanding and exercisable</b>	<b>Weighted average exercise price (\$)</b>
April 22, 2025	1,560,000	0.13
December 16, 2025	760,000	0.13
December 22, 2025	3,370,000	0.13
January 27, 2026	14,650,000	0.75
March 2, 2026	43,632,601	1.50
	<b>63,972,601</b>	<b>1.21</b>

**8. Stock options and restricted share units**

(a) Stock options

The Company approved a long term incentive plan on March 25, 2021, which was approved by shareholders on June 29, 2021 (the "LTIP") at the annual and special general meeting of shareholders. The Company has adopted the LTIP as a means to provide incentives to eligible directors, officers, employees and consultants. The LTIP will facilitate granting of stock options, restricted share units ("RSUs") and performance share units ("PSUs"), representing the right to receive one common share of the Company (and in the case of RSUs or PSUs, one common share of the Company, the cash equivalent of one common share of the Company, or a combination thereof) in accordance with the terms of the LTIP.



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**8. Stock options and restricted share units (continued)**

The following table reflects the continuity of stock options for the years ended June 30, 2021 and 2020:

	<b>Number of stock options</b>	<b>Weighted average exercise price (\$)</b>
<b>Balance, June 30, 2019 and 2020</b>	-	-
Granted (i)(ii)	3,200,000	0.77
<b>Balance, June 30, 2021</b>	<b>3,200,000</b>	<b>0.77</b>

(i) On March 31, 2021, the Company granted a total of 2,950,000 stock options to certain directors, officers, advisors and consultants of the Company. The stock options are exercisable at a price of \$0.75 per share, expire on March 31, 2026 and vested immediately. The fair value of the stock options was estimated to be \$1,643,150 using the Black-Scholes option pricing model and the following assumptions: exercise price of \$0.75, share price of \$0.75, risk free interest rate of 0.99%, an expected life of 5 years and an expected volatility of 100%.

(ii) On June 7, 2021, the Company granted a total of 250,000 stock options to an officer and employees of the Company. The stock options are exercisable at a price of \$1.00 per share, expire on June 7, 2026 and vested immediately. The fair value of the stock options was estimated to be \$185,500 using the Black-Scholes option pricing model and the following assumptions: exercise price of \$1.00, share price of \$1.00, risk free interest rate of 0.88%, an expected life of 5 years and an expected volatility of 100%.

The following table reflects the Company's stock options outstanding and exercisable as at June 30, 2021:

<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Grant date fair value (\$)</b>	<b>Weighted average exercise price (\$)</b>	<b>Weighted average remaining contractual life (years)</b>	<b>Expiry date</b>
2,950,000	2,950,000	1,643,150	0.75	4.75	March 31, 2026
250,000	250,000	185,500	1.00	4.94	June 7, 2026
3,200,000	3,200,000	1,828,650	0.77	4.77	

For the year ended June 30, 2021, the Company recorded share based compensation expense for these stock options of \$1,828,650 (2020 - \$nil)

**(b) Restricted share units**

The maximum aggregate number of shares reserved for issuance under the Company's stock option plan shall not exceed a combined total of 10% of the Company's issued and outstanding shares.

	<b>Number of RSUs</b>
<b>Balance, June 30, 2019 and 2020</b>	-
Granted (i)(ii)	2,500,000
<b>Balance, June 30, 2021</b>	<b>2,500,000</b>

(i) On March 31, 2021, the Company granted 2,200,000 RSUs to certain officers, directors and consultants which at the Board's discretion can be settled in cash, equity or a combination thereof and vest as follows: 733,333 on each of the first, second and third anniversaries of the date of grant. The grant date fair value of the RSUs was \$1,650,000.

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**8. Stock options and restricted share units (continued)**

(b) Restricted share units (continued)

(ii) On June 7, 2021, the Company granted 300,000 RSUs to an officer and employees which at the Board's discretion can be settled in cash, equity or a combination thereof and vest as follows: 100,000 on each of the first, second and third anniversaries of the date of grant. The grant date fair value of the RSUs was \$300,000.

The fair value of the RSUs granted was determined by the market price of the Company's most recent financing offering. For the year ended June 30, 2021, the Company recorded share based compensation expense for these RSU's of \$252,083 (2020 - \$nil).

**9. Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

Remuneration of key management personnel of the Company was as follows:

	<b>Years Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
Salaries and fees <sup>(1)</sup>	\$ 496,164	\$ 7,500
Consulting fees <sup>(1)</sup>	127,988	15,000
Share based compensation	1,252,991	-
	<u>\$ 1,877,143</u>	<u>\$ 22,500</u>

(1) Salaries and fees paid to the executive officers and directors for their services.

(2) Included in accounts payable and accrued liabilities are fees owing to officers and directors of \$45,256 as at June 30, 2021 (June 30, 2020 - \$7,500).

**10. Financial instrument fair value and risks factors**

***Fair value***

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company's financial instruments include cash and accounts payable and accrued liabilities. The carrying value of accounts payable and accrued liabilities approximates their fair value due to their short-term nature. Cash is measured at fair value based on Level 1 of the fair value hierarchy.

## **10. Financial instrument fair value and risks factors (Continued)**

### ***Risk factors***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### ***Credit Risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is mainly held in credit worthy financial institutions. Credit risk has been assessed as low.

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

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in United States dollars while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's held cash of \$35,489,526 in Canadian dollars and \$98,838,358 in United States dollars. The Company had accounts payable of \$15,577 in United States dollars. As the Company has a number of transactions in foreign currencies, currency risk has been assessed as moderate.

Assuming all other variables remain constant, a 5% weakening or strengthening of the Canadian dollar against the US dollar would result in a change of approximately \$954,000 to profit and loss.

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank account was subject to the movements in interest rates. The Company has no-interest bearing debt. Therefore, interest rate risk has been assessed as nominal.

#### ***Liquidity Risk***

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions, liquidity risk has been assessed as low.

## **11. Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of \$133,892,931 at June 30, 2021 (June 30, 2020 - \$181,321).

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

**CARBON STREAMING CORPORATION**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

**12. Income taxes**

The income tax expense differs from the amount resulting from the application of the combined Canadian statutory income tax rate as follows:

	<b>Years Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
Loss before income taxes	\$ (5,713,609)	\$ (108,754)
Statutory tax rate	27.00%	27.00%
Expected income tax (recovery) expense based on statutory rate	(1,542,674)	(29,364)
Adjustment to expected income tax (recovery) expense:		
Change in unrecognized deferred income tax assets and others	980,876	29,364
Share based compensation	561,798	-
<b>Total income tax (recovery) expense</b>	<b>\$ -</b>	<b>\$ -</b>

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

<b>As at June 30,</b>	<b>2021</b>	<b>2020</b>
Exploration and evaluation assets	\$ 125,868	\$ 125,868
Non-capital losses	2,012,785	1,000,496
Share issuance costs	125,164	1,938
	2,263,817	1,128,302
Unrecognized deferred income tax assets	(2,263,817)	(1,128,302)
<b>Deferred tax assets (liabilities)</b>	<b>\$ -</b>	<b>\$ -</b>

The tax pools relating to the significant deductible temporary differences expire as follows:

	<b>Exploration and evaluation assets</b>	<b>Non-capital losses</b>
2026	\$	\$ 230,374
2027	-	259,595
2028	-	455,202
2029	-	485,635
2030	-	258,283
2031	-	436,175
2032	-	332,335
2033	-	218,859
2034	-	178,107
2035	-	445,267
2036	-	247,792
2037	-	15,843
2038	-	20,152
2039	-	11,381
2040	-	110,541
2041	-	3,749,217
No expiry	466,177	-
	<b>\$ 466,177</b>	<b>\$ 7,454,758</b>

## **12. Income taxes (Continued)**

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at June 30, 2021, the Company has approximately \$7,454,758 in non-capital losses that can be offset against taxable income in future years which begin expiring at various dates commencing in 2026.

## **13. Other events**

(i) On May 17, 2021, the Company announced its first carbon credit streaming agreement. Carbon Streaming Corporation has agreed to invest US\$6 million to implement the proposed MarVivo Blue Carbon Conservation Project in Magdalena Bay in Baja California Sur, Mexico which is focused on the conservation of mangrove forests and their associated marine habitat.

## **14. Subsequent events**

(i) On July 20, 2021, the Company announced the completion of a non-brokered private placement of 104,901,256 Special Warrants at a price of US\$1.00 per Special Warrant for aggregate gross proceeds to the Company of US\$104.9 million. Each Special Warrant will be automatically exercised for one common share of the Company and one full common share purchase warrant with a term of 62 months at an exercise price of US\$1.50 per warrant on the earliest of (a) the third business day after the date that a receipt is issued for a final prospectus by Canadian securities regulatory authorities qualifying the common shares and warrants to be issued upon the exercise of the Special Warrants and (b) November 21, 2021.

(ii) On July 26, 2021, the NEO Exchange granted final approval of the Company's listing application and the Company commenced trading on the NEO Exchange on July 27, 2021, under the symbol "NETZ".

(iii) On July 30, 2021, the Company announced that it has listed on the Frankfurt Stock Exchange under the symbol "M2QA".

(iv) On August 3, 2021, the Company announced that it entered into the Rimba Raya Stream, a carbon credit streaming agreement with InfiniteEARTH, the developer of the industry's flagship REDD+ (Reducing Emissions from Deforestation and forest Degradation) project, the Rimba Raya Biodiversity Reserve project. Under the Rimba Raya Stream, InfiniteEARTH will deliver 100% of the carbon credits created by the Rimba Raya project, expected to be 70 million credits over the next 20 years, less up to 635,000 carbon credits per annum which are already committed to previous buyers. To acquire the Rimba Raya Stream, Carbon Streaming paid an upfront cash investment of US\$22.3 million. In addition, the Company will make ongoing payments to InfiniteEARTH for each carbon credit that is sold under the carbon stream.

The Company and the Founders also entered into the strategic alliance agreement (the "SAA") where 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 investment opportunities. In addition, the SAA provides Carbon Streaming with a right of first refusal on any carbon streaming or royalty financing transaction for projects that are planned in the future, which includes a portfolio of Blue Carbon credit projects throughout the Americas. The Company issued 22,695,900 common shares of the Company and paid US\$4.0 to the Founders as consideration for entering into the SAA.

(v) On September 13, 2021, the Company announced that it had entered into the Cerrado Biome Stream with Ecosystem Regeneration Associates - ERA Brazil ("ERA"). Under the Cerrado Biome Stream the Company agreed to invest US\$0.5 million to implement and scale up the Cerrado Biome project, which is aimed at protecting native forests and grasslands in the Cerrado biome, one of the most biodiverse savannah regions in the world. Verification of the project is underway with Verra, through the VCS Standard, under a grouped project model and is anticipated to be completed in late 2021, with credit sales beginning in 2022.

FORM 13-502F2  
CLASS 2 REPORTING ISSUERS — PARTICIPATION FEE  
MANAGEMENT CERTIFICATION

I, **Conor Kearns**, an officer of the reporting issuer noted below have examined this Form 13-502F2 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s) "Conor Kearns"

September 27, 2021

Name:Conor Kearns

Date:

Title: Chief Financial Officer

Reporting Issuer

Name:

Carbon Streaming Corporation

End date of previous financial year: June 30, 2021

<<Financial Statement Values>>:

(Use stated values from the audited financial statements of the reporting issuer as of the end of its previous financial year)

Retained earnings or deficit	\$ -21,969,203	<<(A)>>
Contributed surplus	\$ 3,966,121	<<(B)>>
Share capital or owners' equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes)	\$ 151,896,013	<<(C)>>
Non-current borrowings (including the current portion)	\$	<<(D)>>
Finance leases (including the current portion)	\$ 0	<<(E)>>
Non-controlling interest	\$ 0	<<(F)>>
Items classified on the statement of financial position as non-current liabilities (and not otherwise listed above)	\$ 0	<<(G)>>
Any other item forming part of equity and not set out specifically above	\$ 0	<<(H)>>
Capitalization for the previous financial year (Add items (A) through (H))	\$ 133,892,931.00	
Participation Fee (From Appendix A of OSC Rule 13-502 Fees, select the participation fee beside the capitalization calculated above)	\$ 13,340.00	
Late Fee, if applicable (As determined under section 2.7 of OSC Rule 13-502 Fees)	\$ 0	
Total Fee Payable (Participation Fee plus Late Fee)	\$ 13,340.00	



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED JUNE 30, 2021**

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## Introduction

This management's discussion and analysis (“**MD&A**”) reviews the significant activities of Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) and analyzes the financial results for the year ended June 30, 2021. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2021 and 2020 of the Company with the related notes thereto, which are available for viewing on [www.sedar.com](http://www.sedar.com).

All financial information in this document is prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and presented in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is September 27, 2021.

Management is responsible for the preparation and integrity of the Company's audited consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's financial statements and MD&A, is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Although such information is considered to be accurate, actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

## Description of Business

Carbon Streaming is a unique environmental, social and governance (ESG) principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

The Company's common shares (“**Common Shares**”) are listed on the NEO Exchange Inc. (“**NEO Exchange**”) under the symbol “NETZ” and the warrants that expire in March 2026 (the “**March 2026 Warrants**”) are listed on the Neo Exchange under the symbol “NETZ.WT”. The Company's Common Shares are also listed on the Frankfurt Stock Exchange under the symbol “FSE: M2QA” and trade on the OTC Markets under the symbol “OFSTF”.

## Acquisition Growth Strategy

Carbon Streaming believes there is significant potential for stream-based financing in the carbon markets. There are currently over 4,700 carbon offset projects listed in the four largest voluntary carbon credit registries, which is anticipated to significantly increase in response to rapidly increasing demand for carbon credits. Carbon Streaming is positioning itself to not only be able to provide funding to developers or project owners looking to innovatively finance new carbon offset projects or monetize some or all of their existing or future carbon credits today, but also to be able to market high quality carbon credits to the buyers that will need them to meet their regulated or voluntary requirements or goals as they offset their carbon footprint.

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**Our Outlook**

The Company's outlook for the next 12 months is to continue to deploy the capital it has raised in the capital markets by entering into carbon credit streaming agreements with projects that generate high- quality carbon credits and have a strong ESG principles. The amount of capital that can be deployed and the corresponding carbon credits that can be generated will in-part depend on many factors that cannot be controlled by the Company, including the continuing impact of COVID-19.

For a comprehensive discussion of the risks, assumptions and uncertainties that could impact the Company's outlook, investors are urged to review the section of the Company's Annual Information Form (“**AIF**”) entitled “Risk Factors” a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Company Highlights****Corporate Restructuring**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 13, 2004 under the name “Mexivada Mining Corp.” and commenced operations on November 18, 2004. The Company has historically focused on the acquisition of precious and rare high tech metal exploration properties in Mexico, Nevada, United States and in Ontario, Canada.

From May 2017 until February 2020, the Company had been subject to cease trade orders (“**CTO's**”) with respect to the Company's failure to file its annual financial statements for the fiscal year ended June 30, 2012, and corresponding MD&A. During the year ended June 30, 2020, the Company made application to have the CTOs revoked; and in February 2020, the Company was successful in obtaining full revocation orders to all three CTOs.

Since the rescission of the CTOs, the Company has changed its business focus from mineral exploration to becoming a company focused on the regulated and voluntary carbon offset and sequestration sectors.

Subsequent to the Company's year-end, on July 27, 2021, the Common Shares and March 2026 Warrants commenced trading on the NEO Exchange under the symbols “NETZ” and “NETZ.WT”, respectively.

**Financings**

On December 16, 2020, the Company raised \$70,000 through the sale of 1,400,000 units at \$0.05 per unit, with each unit consisting of one Common Share and one common share purchase warrant (“**Warrant**”) exercisable at \$0.125 per Common Share until December 16, 2025.

On December 22, 2020, the Company raised \$172,500 through the sale of 3,450,000 units at \$0.05 per unit, with each unit consisting of one Common Share and one Warrant exercisable at \$0.125 per Common Share until December 22, 2025.

On January 27, 2021, the Company closed a non-brokered private placement of 14,670,000 units at \$0.25 per unit for gross proceeds of \$3,667,500. Each unit is comprised of one Common Share and one Warrant, with each Warrant exercisable at \$0.75 per Common Share until January 27, 2026.

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On March 11, 2021, the Company closed a non-brokered private placement of 43,299,268 units at \$0.75 per unit for gross proceeds of \$32,474,451. Each unit is comprised of one Common Share and one share purchase warrant, with each warrant exercisable at \$1.50 per Common Share until March 2, 2026.

On May 12, 2021, the Company closed a non-brokered private placement of 11,611,000 Common Shares at \$1.00 per Common Share for gross proceeds of \$11,611,000.

Subsequent to the Company's year-end, on July 20, 2021, the Company announced the completion of a non-brokered private placement of 104,901,256 special warrants of the Company (the “**Special Warrants**”) at a price of US\$1.00 per Special Warrant for aggregate gross proceeds to the Company of US\$104.9 million. See *Subsequent Events* below for more details.

### **Company's Carbon Credit Portfolio**

#### *MarVivo Stream*

On May 17, 2021, the Company announced its first carbon credit streaming investment. The Company agreed to invest US\$6 million pursuant to a purchase and sale agreement (the “**MarVivo Stream**”) to implement the proposed MarVivo Blue Carbon Conservation Project (“**MarVivo**”) in Magdalena Bay in Baja California Sur, Mexico which is focused on the conservation of mangrove forests and their associated marine habitat. The MarVivo Stream is to 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 date of the first delivery of carbon credits, which is expected to occur in the first half of 2023. To acquire the MarVivo Stream, Carbon Streaming agreed to pay MarVivo Corporation an upfront payment of US\$6 million, which is expected to fully fund the initial project development costs. US\$2 million in cash will be paid upon closing, and the balance will be paid in four installments upon specific milestones being met during project development, with the final milestone payment being made upon verification of the project. The Company expects the MarVivo transaction to close in Q4 2021. Osisko has provided notice to the Company that it intends to exercise its Stream Participation Right in respect of the MarVivo Stream transaction.

#### *BCI Term Sheet*

On June 3, 2021, the Company announced it entered into an exclusive term sheet with the Bonobo Conservation Initiative (“**BCI**”) to provide initial funding of US\$500,000 for BCI to develop two carbon credit projects within the Bonobo Peace Forest (“**BPF**”) located in the Democratic Republic of Congo. The two projects account for over 67% of the total 5,258,700 hectares (ha) area within the BPF and offer a combined potential to avoid and remove hundreds of millions of tonnes of CO<sub>2</sub>e over the 30-year span of the agreement. The Company expects the projects to be developed over the next 18-24 months.

#### *Rimba Raya Stream*

Subsequent to the Company's year-end, on August 3, 2021, the Company announced that it had entered into a carbon credit streaming agreement with Infinite-EARTH Limited (“**InfiniteEARTH**”) on the Rimba Raya Biodiversity Reserve Project (the “**Rimba Raya Stream**”). See *Subsequent Events* below for more details.

#### *Cerrado Biome Stream*

Subsequent to the Company's year-end, on September 13, 2021, the Company announced that it had entered into a carbon credit streaming agreement with Ecosystem Regeneration Associates - ERA Brazil (“**ERA**”) with respect to ERA's Avoided Conversion Cerrado grouped project in Brazil (the “**Cerrado Biome Stream**”). See *Subsequent Events* below for more details.

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## **Strategic Partnerships**

### *Osisko Investors Rights Agreement*

On February 18, 2021, Osisko Gold Royalty Ltd. (“**Osisko**”) and the Company entered into a strategic partnership through an investor rights agreement (the “**Investor Rights Agreement**”). Under the Investors Rights Agreement, the Company has granted to Osisko certain equity financing rights to participate in future offerings of any new securities by the Company. In addition, Osisko also has 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**”).

### *WilsonZinter Enterprises Ltd.*

On June 7, 2021, the Company announced it formed a strategic partnership with WilsonZinter Enterprises Ltd. (“**WZ**”), a First Nations business in British Columbia, to source and finance investment opportunities in collaboration with British Columbia First Nations and develop projects within their territories to combat climate change through the reduction of greenhouse gas 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.

### *InfiniteEARTH Strategic Alliance Agreement*

Subsequent to the Company's year-end, concurrent with entering into the Rimba Raya Stream, the Company, InfiniteEARTH and its founders (the “**Founders**”) entered into a Strategic Alliance Agreement (“**SAA**”) the SAA. (See *Subsequent Events* below for more details).

## **Share Based Compensation**

On March 31, 2021, the Company granted 2,950,000 stock options and 2,200,000 restricted share units (“**RSUs**”) to certain directors, officers, advisors, and consultants of the Company. The stock options are exercisable at a price of \$0.75 per share, expire on March 31, 2026, and vested immediately. The RSUs can be settled in cash, equity, or a combination thereof, at the Board's discretion, and vest one-third (1/3) on each of the first, second and third anniversaries of the date of grant.

On June 7, 2021, the Company granted 250,000 stock options and 300,000 RSU's to an officer and employees of the Company. The stock options are exercisable at a price of \$1.00 per share, expire on June 7, 2026, and vested immediately. The RSUs can be settled in cash, equity, or a combination thereof, at the Board's discretion, and vest one-third (1/3) on each of the first, second and third anniversaries of the date of grant.

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Selected Annual Financial Information

	Year ended June 30, 2021 (\$)	Year ended June 30, 2020 (\$)	Year ended June 30, 2019 (\$)
Revenue	nil	nil	nil
Net loss	(5,713,609)	(108,754)	(11,381)
Net loss per share - basic	(0.14)	(0.08)	(0.02)
Net loss per share - diluted	(0.14)	(0.08)	(0.02)
	As at June 30, 2021 (\$)	As at June 30, 2020 (\$)	As at June 30, 2019 (\$)
Total assets	135,178,392	313,136	nil
Total long-term liabilities	nil	nil	nil

Summary of Quarterly Results

As a result of the Company's refocused business model on acquiring, managing, and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits, comparisons to historical quarters prior to June 30, 2020 may not be useful to readers. The following is a summary of certain financial information for each of the eight most recently completed quarters:

Three Months Ended	Revenue (\$)	Total (\$)	Income or (Loss)	Total assets (\$)
			Basic and diluted income (loss) per share <sup>(9)</sup> (\$)	
June 30,2021	nil	(2,822,256)	(0.05)	135,178,392
March 31, 2021	nil	(2,325,455)	(0.05)	35,630,502
December 31, 2020	nil	(539,778)	(0.04)	1,287,778
September 30, 2020	nil	(26,120)	(0.00)	346,610
June 30, 2020	nil	(11,402)	(0.00)	313,136
March 31, 2020	nil	(83,698)	(0.12)	nil
December 31, 2019	nil	(4,009)	(0.01)	nil
September 30, 2019	nil	(9,645)	(0.01)	nil

**Results of Operations****For the three months ended June 30, 2021, compared to the three months ended June 30, 2020**

The Company incurred a loss of \$2,822,256 during the three months ended June 30, 2021, compared to a loss of \$11,402 for the three months ended June 30, 2020. The results for the three months ended June 30, 2021, were primarily due to the following items:

- During the three months ended June 30, 2021, the Company recorded an increase of \$437,583 of share-based compensation over the 2020 comparative period. The Company granted 250,000 stock options and 300,000 RSUs during the three months ended June 30, 2021, compared to nil for the comparative period in 2020. Share based compensation expense will vary from period to period depending upon the number of stock options and RSUs granted and/or vesting during any particular period and the fair value of the stock options and RSUs calculated as at the grant date.
- The Company incurred \$1,472,560 of consulting fees for the three months ended June 30, 2021, compared to \$14,000 for the three months ended June 30, 2020. The increase of \$1,458,560 is in line with the Company's refocused business model.
- During the three months ended June 30, 2021, the Company recorded an increase of \$276,681 in salaries and fees over the comparative period in 2020. This represents the salaries and fees of the new management and directors tasked with refocusing the Company's business.

**For the year ended June 30, 2021, compared to the year ended June 30, 2020**

The Company incurred a loss of \$5,713,609 during the year ended June 30, 2021, compared to a loss of \$108,754 for the year ended June 30, 2020. The results for the year ended June 30, 2021, were primarily due to the following items:

- During the year ended June 30, 2021, the Company recorded an increase of \$2,080,733 of share-based compensation over the 2020 comparative period. The Company granted 3,200,000 stock options and 2,500,000 RSUs during the year ended June 30, 2021, compared to nil for the comparative period in 2020. Share based compensation expense will vary from period to period depending upon the number of stock options and RSUs granted and vesting during any particular period and the fair value of the stock options and RSUs calculated as at the grant date.
- The Company incurred \$2,100,230 in consulting fees for the year ended June 30, 2021, compared to \$14,000 for the year ended June 30, 2020. The increase of \$2,086,230 is in line with the Company's refocused business model.
- During the year ended June 30, 2021, the Company recorded an increase of \$568,344 in salaries and fees over the comparative period. This represents the salaries and fees of the new management and directors tasked with refocusing the Company's business.

**Liquidity and cash flow**

As of June 30, 2021, the Company had a working capital of \$133,288,731, which includes cash and cash equivalents of \$134,327,884, and does not currently have assets that generate cash flow. The Company's ability to meet its obligations and execute its business strategy depends on its ability to generate cash flow from the delivery and sale of carbon credits, as well as through the issuance its securities, the exercise of stock options and warrants and short-term or long-term loans.

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There is no assurance that the Company will be able to access equity funding at the times and in the amounts required to meet the Company's obligations and fund activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funding going forward.

**Cash flows***Operating Activities*

Cash used in operating activities was \$2,092,289 for the year ended June 30, 2021 which resulted from operating expenses during the normal course of business, an increase in accounts payable and amounts receivable and prepaid.

*Investing Activities*

Cash used in investing activities was \$604,200 for the year ended June 30, 2021, related to the investment in the BCI. See “*Company Highlights - Company's Carbon Credit Portfolio - BCI Term Sheet*”.

*Financing Activities*

Cash provided by financing activities was \$136,929,486 for the year ended June 30, 2021, related to proceeds from the issuance of the Special Warrants. See “*Company Highlights - Financings*”

**Related party transactions***Related party balances*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

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Remuneration of key management personnel of the Company was as follows:

	Year Ended	
	June 30, 2021	June 30, 2020
Salaries and fees <sup>(1)</sup>	\$ 483,664	\$ 7,500
Consulting fees <sup>(2)</sup>	\$ 127,988	\$ 15,000
Share based compensation	\$ 1,252,991	Nil
	<u>\$ 1,864,643</u>	<u>\$ 22,500</u>

<sup>(1)</sup> Salaries and fees paid to the executive officers and directors for their services.

<sup>(2)</sup> Included in accounts payable and accrued liabilities are fees owing to officers and directors of \$45,256 as at June 30, 2021 (June 30, 2020 - \$7,500).

### Subsequent Events

On July 20, 2021, the Company announced the completion of a non-brokered private placement of 104,901,256 Special Warrants at a price of US\$1.00 per Special Warrant for aggregate gross proceeds to the Company of US\$104.9 million. Each Special Warrant will be automatically exercised for one common share of the Company and one full common share purchase warrant with a term of 62 months at an exercise price of US\$1.50 per warrant on the earliest of (a) the third business day after the date that a receipt is issued for a final prospectus by Canadian securities regulatory authorities qualifying the common shares and warrants to be issued upon the exercise of the Special Warrants and (b) November 21, 2021. As at June 30, 2021, the Company had received gross proceeds of \$87,811,768 related to the Special Warrants, that amount was shown as a liability on the statement of financial position at June 30, 2021, and the liability was extinguished on July 20, 2021 with the issuance of the Special Warrants.

On August 3, 2021, the Company announced that it entered into the Rimba Raya Stream, a carbon credit streaming agreement with InfiniteEARTH, the developer of the industry's flagship REDD+ (Reducing Emissions from Deforestation and forest Degradation) project, the Rimba Raya Biodiversity Reserve project. Under the Rimba Raya Stream, InfiniteEARTH will deliver 100% of the carbon credits created by the Rimba Raya project, expected to be 70 million credits over the next 20 years, less up to 635,000 carbon credits per annum which are already committed to previous buyers. To acquire the Rimba Raya Stream, Carbon Streaming paid an upfront cash investment of US\$22.3 million. In addition, the Company will make ongoing payments to InfiniteEARTH for each carbon credit that is sold under the carbon stream

The Company and the Founders also entered into the SAA where 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 investment opportunities. In addition, the SAA provides Carbon Streaming with a right of first refusal on any carbon streaming or royalty financing transaction for projects that are planned in the future, which includes a portfolio of Blue Carbon credit projects throughout the Americas. The Company issued 22,695,900 Common Shares of the Company and paid US\$4.0 million to the Founders as consideration for entering into the SAA.

On September 13, 2021 the Company announced that it had entered into the Cerrado Biome Stream with ERA. Under the Cerrado Biome Stream the Company agreed to invest US\$0.5 million to implement and scale up the Cerrado Biome project, which is aimed at protecting native forests and grasslands in the Cerrado biome, one of the most biodiverse savannah regions in the world. Verification of the project is underway with Verra, through the VCS Standard, under a grouped project model and is anticipated to be completed in late 2021, with credit sales beginning in 2022.

**Share Capital**

As September 27, 2021, the Corporation has 126,135,137 common shares outstanding.

As of September 27, 2021, the Company has outstanding: 63,897,601 warrants, 104,901,256 Special Warrants, 3,200,000 stock options and 2,500,000 RSUs.

**Off-Balance Sheet Arrangements**

As at the date of this MD&A, the Company did not have any off-balance sheet arrangements.

**Financial Instrument Fair Value and Risk Factors****Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The Company's financial instruments include cash, accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value. Cash is measured based on Level 1 input of the fair value hierarchy.

**Risk factors**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

*Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is mainly held in credit worthy financial institutions and in trust with the Company's legal counsel. Credit risk has been assessed as low.

*Currency Risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in United States dollars while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. As at June 30, 2021, the Company held Canadian dollars of \$35,489,526 (August 31, 2021 - \$34,381,333) and US dollars of US\$79,746,361 (August 31, 2021 - US\$84,871,931). As the Company has a number of transactions in foreign currencies, currency risk has been assessed as moderate.

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Assuming all other variables remain constant, as at June 30, 2021, a 5% weakening or strengthening of the Canadian dollar against the US dollar would result in a change of approximately \$954,000 to loss and comprehensive loss.

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank account was subject to the movements in interest rates. The Company has no-interest bearing debt. Therefore, interest rate risk has been assessed as nominal.

#### *Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions, liquidity risk has been assessed as low.

#### *General Business Risk*

In addition, the Company is exposed to a variety of known and unknown risks in the pursuit of its strategic objectives. The impact of any risk may adversely affect, among other things, the Company's business, financial condition and operating results, which may affect the market price of its securities. The Company monitors its risks on an ongoing basis and seeks to mitigate these risks as and when possible. For a comprehensive discussion of the risks and uncertainties that could have an effect on the business and operations of the Company, investors are urged to review the section of the AIF entitled "Risk Factors" and Annual Consolidated Financial Statements each as of June 30, 2021, copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of \$133,892,931 at June 30, 2021 (June 30, 2020 - \$181,321).

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

#### **Key Sources of Estimation Uncertainty and Critical Accounting Judgments**

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

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The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the periods of change, if the change affects that period only, or in the period of the change of future periods, if the change affects both.

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in the Company's consolidated financial statements include:

#### Share based compensation

The Company includes an estimate of share price volatility, expected life, forfeiture rate and risk-free interest rates in the calculation of the fair value for share based payments. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact earnings.

#### Deferred taxes

The Company recognizes the deferred tax benefit related to tax assets and tax losses to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit and expected timing of reversals of existing temporary differences. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from tax assets and tax losses.

#### **Disclosure of Internal Controls**

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

As at June 30, 2021 the Company was a 'venture issuer', as such term is defined under National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"). In connection with listing on the NEO Exchange on July 27, 2021 the Company became a non-venture issuer. As this is the first financial period after becoming a non-venture issuer, the Company is filing certificates in the form of "*Form 52-109F1 - IPO/RTO IPO/RTO Certification of Annual Filings Following an Initial Public Offering, Reverse Takeover or Becoming a Non-Venture Issuer*" for this period (the "**IPO/RTO Certificate**").

In contrast to the form of certificate required for non-venture issuers under NI 52-109, the IPO/RTO Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
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- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

#### **Cautionary Note Regarding Forward-Looking Statements**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated in such forward-looking statements.

The Company currently believes the expectations reflected in these forward-looking statements are reasonable, but cannot assure that such expectations will prove to be correct, and thus, such statements should not be unduly relied upon. These forward-looking statements are made as of the date of this MD&A and the Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, unless required pursuant to applicable laws. Risk and assumptions that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the headings "Forward-Looking Information" and "Risk Factors" in the Company's AIF and under the heading "Risks Factors" in this MD&A. Although the Company has attempted to take into account important factors that could cause actual costs or operating results to differ materially, there may be other unforeseen factors and therefore results may not be as anticipated, estimated or intended.

#### **Additional Information**

Additional information with respect to the Company, including the Company's quarterly interim financial statements and Company's AIF, have been filed with Canadian securities regulatory authorities and is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.carbonstreaming.com](http://www.carbonstreaming.com). Information contained in or otherwise accessible through the Company's website does not form a part of this MD&A and is not incorporated by reference into this MD&A.

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**ANNUAL INFORMATION FORM**

**For the Financial Year Ended**

**June 30, 2021**

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As of September 27, 2021

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## GENERAL MATTERS

### Date of Information

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, 2021, being the date of the Company’s most recently audited financial year.

### Currency

Unless otherwise specified, in this AIF all references to “dollars” or to “\$” or “C\$” are to Canadian dollars and all references to “US\$” are to United States dollars.

### Definitions

“Carbon Streaming”, “the Company,” “we,” “us” and “our” or similar terms refer to Carbon Streaming Corporation and its subsidiaries. A glossary of certain defined terms and abbreviations used herein is appended to this AIF.

### Forward Looking Information

Certain statements in this AIF constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian 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. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this AIF and as they are expected to be 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, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. 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;
- 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;
- potential acquisitions and dispositions of assets;
- the competitive conditions of the industry in which the Company operates;
- the political, social and economic conditions in each jurisdiction in which the Company holds an investment; and
- laws and any amendments thereto applicable to the Company.

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:

- dependence on key management;
- limited operating history for the Company's current strategy;
- concentration risk;
- inaccurate estimates of growth strategy, including the ability of the Company to source appropriate opportunities/investments;
- volatility in prices of carbon credits and demand for carbon credits;
- general economic, market and business conditions;
- failure or timing delays for projects to be verified, validated and ultimately developed;

- uncertainties and ongoing market developments surrounding the regulatory framework applied to the verification, and cancellation of carbon credits and the Company's ability to be, and remain, in compliance;
- actions by governmental authorities, including changes in or to government regulation, taxation and carbon pricing initiatives;
- uncertainties surrounding the ongoing impact of the COVID-19 pandemic;
- foreign operations and political risks;
- risks arising from competition and future acquisition activities;
- due diligence risks, including failure of third parties' reviews, reports and projections to be accurate;
- global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- dependence on project developers, 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;
- change in social or political views towards climate change and subsequent changes in corporate or government policies or regulations;
- operating and capital costs;
- potential conflicts of interest;
- unforeseen title defects;
- 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; 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. The Company cannot guarantee future results, levels of activity, performance, or achievements. 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.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

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

The registered office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8. The principal office of the Company is located at Suite 401, 4 King Street West, Toronto, Ontario M5H 1B6.

The Company's Common Shares are listed on the NEO Exchange under the symbol “NETZ” and the March 2026 Warrants are listed on the Neo Exchange under the symbol “NETZ.WT”. The Company's Common Shares are also listed on the Frankfurt Stock Exchange under the symbol “FSE: M2QA” and trade on the OTC Markets under the symbol “OFSTF”.

### Intercorporate Relationships

The Company has no subsidiaries, other than the wholly owned subsidiary 1253661 B.C. Ltd. (“**Amalco**”), a corporation incorporated under the laws of British Columbia. The Company may incorporate one or more subsidiary companies to facilitate its activities as required.

## DESCRIPTION OF THE BUSINESS

### Overview

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed.

The Company's focus is on projects that have a positive impact on the climate, local communities and biodiversity, and are expected to advance one or more of the United Nations' Seventeen Sustainable Development Goals ("UN SDGs"). As a result, the Company anticipates that many of its projects will have significant social and economic Co-Benefits in addition to their carbon reduction or removal potential. We intend to execute on our strategy by:

- (i) entering into streaming, royalty or royalty-like arrangements with project developers, non-governmental organizations (NGOs), non-profits, companies, individuals and governments to purchase carbon credits from their assets or properties;
- (ii) purchasing carbon credits in the voluntary or compliance carbon markets;
- (iii) acquiring or investing, in the form of equity, debt or other forms of investment, in entities, assets or properties involved in the origination, generation, monitoring, or management of carbon credits or related businesses; and
- (iv) executing acquisitions, short term development and resale of carbon credits, interests, royalties, streaming interests, portfolios, joint ventures, or equity holdings.

Carbon Streaming aims to deliver long-term cash flow growth through the monetization of its carbon credit portfolio which is expected to benefit from the anticipated increase in carbon credit prices due to favourable market fundamentals.

### **Carbon Credits**

The term "**carbon credits**" is used to collectively refer to carbon allowances, carbon offsets, forest offsets and other environmental attributes including, without limitation, renewable energy certificates and clean/low carbon fuel standard credits. Carbon credits can be generated from projects including but not limited to, forestry and land use, renewable energy, improved energy efficiency, agriculture, transportation, household devices, biomass and biogas facilities, waste disposal, carbon capture, utilization and storage ("**CCUS**"), wetland restoration, and other industrial projects.

Typically, a carbon credit represents one tonne of carbon dioxide ("**tCO<sub>2</sub>**") or the carbon dioxide equivalent ("**tCO<sub>2</sub>e**") of another greenhouse gas (based on the amount of heat it traps in the atmosphere) that is prevented from entering or being absorbed from the atmosphere. Every 4.60 tonnes of CO<sub>2</sub>e removed from the atmosphere is the equivalent of removing one average passenger vehicle for a year (Source: EPA).

### **Carbon Streaming Impact Investing Policy**

The Company's purpose is to generate attractive returns for stakeholders through the provision of innovative capital solutions for projects that demonstrably advance the transition to a low-carbon future, with a particular focus on projects with Co-Benefits which advance one or more of the 17 UN SDGs. This focus begins at the identification of potential investments. Due to the nature of our business, our capital will necessarily be deployed to projects that combat climate change. In our view however, while every carbon credit represents one less tonne of CO<sub>2</sub>e in the atmosphere, not every carbon credit is equal in its contribution to a sustainable future.

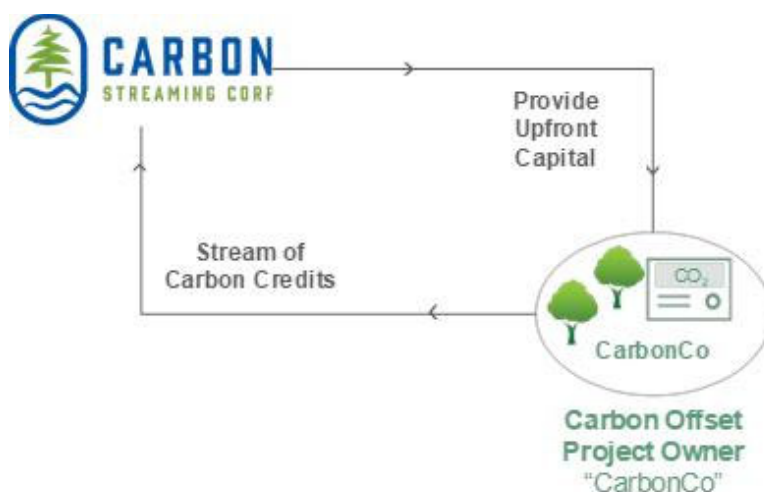


Management will seek, wherever possible, investments that make a sustainable impact beyond the removal, avoidance or sequestering of GHG emissions. Our sustainable investment screen will ensure the consideration of factors that may augment the sustainable impact of our capital beyond advancing climate action, while also ensuring attractive financial returns. These considerations may take the form of protecting endangered species or providing tangible benefits to the communities in the project area, or other activities which advance sustainable development (commonly referred to as “Co-Benefits”). It is our belief that by focusing on these goals, the carbon credits in our portfolio will attract a premium, which should increase the financial returns to our Shareholders. Given the decades long relationship that results from a carbon stream, the Company believes it is vitally important to partner with developers and project operators who share our goal to be instrumental in the transition to a sustainable, low-carbon economy.

**Streaming Business**

The Company provides alternative financing, particularly streams and royalties, to finance 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 developers, aggregators and/or owners of projects which require substantial capital to bring projects to fruition which will advance the transition to a low-carbon 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 at an attractive cost. In a stream agreement, the holder makes an upfront payment in exchange for the right to purchase all, a fixed percentage of, or a specified amount of the subject of the stream (e.g. song royalties, ounces of gold, etc.) at a pre-agreed price or a percentage of a reference price for the term of the agreement, which is typically for a long term. Stream interests are established through a contract between the holder and the property or asset owner. Streams are not typically working interests in a property or an asset and, therefore, the holder is not responsible for contributing additional funds for any purpose.

A carbon credit stream is a contractual agreement whereby the stream purchaser makes an upfront payment (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 generated by a project or an asset over the term of the agreement. An additional payment may be paid per carbon credit to the project or asset developer or owner when the carbon credits are delivered to the stream purchaser or when the carbon credits are sold by the stream purchaser.



The stream agreement provides the stream purchaser with exposure to carbon credits and potential price appreciation upside without taking on the operating responsibility and risk of managing a carbon offset project. To minimize risk of non-delivery of the carbon credits, the stream purchaser may take security over the property, asset of the seller or the rights to the carbon credits.

Benefits of streams to the project developer or asset owner include an upfront payment and annual income over the project life. The developer or owner may use the upfront payment to fund project development on existing or new project activities, verification of carbon credits or for general corporate purposes. In some cases, the stream purchaser may assist the owner with implementation of the carbon offset project, including feasibility studies, registration, validation and verification, all of which may be too costly and complex for an owner to do on its own. A portion of the stream payments may also be invested locally to advance UN SDGs and improve the livelihood of the surrounding communities. Stream payments invested back into a project to fund activities, such as conservation or community programs to prevent deforestation, may result in higher GHG emissions reductions than originally projected thereby leading to an increase in the carbon credits generated by the project. Given the collective experience of its management team, Board and Advisory Board, Carbon Streaming believes it is ideally positioned to select projects and provide stream or royalty financing to those projects which will benefit from this financing structure.

### Acquisition Growth Strategy

Carbon Streaming believes there is significant potential for stream-based financing in the carbon markets. There are currently over 4,700 carbon offset projects listed in the four largest voluntary carbon credit registries, which is anticipated to significantly increase in response to rapidly increasing demand for carbon credits. Carbon Streaming is positioning itself to not only be able to provide funding to developers or project owners looking to innovatively finance new carbon offset projects or monetize some or all of their existing or future carbon credits today, but also to be able to market high quality carbon credits to the buyers that will need them to meet their regulated or voluntary requirements or goals as they offset their carbon footprint.

### The Company's Carbon Credit Portfolio

The Company's current carbon credit portfolio is comprised of streaming agreements for three different projects: Rimba Raya, MarVivo and Cerrado Biome. Each of these projects is accredited, or expects to be accredited, under the Verified Carbon Standard ("VCS"), the largest global voluntary carbon standard, which is administered by Verra, an international institution based in Washington D.C. See "*- Background on Carbon Markets - Credit Verification Standards*" for more information about crediting standards.

Under each streaming agreement the Company has provided the project developer (also referred to as the project proponent) with an upfront payment, in exchange for the right to receive all or a portion of the future carbon credits generated by the project over the term of the streaming agreement, which is typically the remaining crediting life of the project. The project developer will also receive a percentage of the revenue generated by the Company from the sale of the project carbon credits. For these projects, the streaming model allows the project developer to begin implementation of project activities immediately and the project can quickly become self-sustaining through the proceeds of ongoing credit sales.

*Summary of Projects*

	Rimba Raya	MarVivo	Cerrado Biome
Project Description	One of the world’s largest initiatives to protect tropical lowland peat swamp forests	Blue carbon mangrove forest and associated marine habitat conservation	Scale up project to avoid the conversion of native forest and grasslands to commercial agriculture in the Cerrado Biome
Location	Central Kalimantan, Borneo, Indonesia	Magdalena Bay, Baja California Sur, México	Cerrado, Brazil
Project Developer/ Proponent (s)	InfiniteEARTH	Fundación MarVivo Mexico, MarVivo Corporation and CONANP	Ecosystem Regeneration Associates – ERA Brazil
Project Size	~65,000 hectares	~22,000 hectares of mangroves	Currently ~11,000 hectares with expansion plans underway
Project Status	Validated & Registered	Development	Development
Development Budget	n.a.	US\$6 million	US\$0.5 million
Initial Crediting Year	2009	Est 2022	2017
Project Life	30 years (20 years remaining)	30 years	30 years
Project Type	REDD+	To be developed as REDD+	REDD+ grouped project
Certifications	VCS Verified, CCB Triple Gold, SD VISTa	n.a.	Expected to be VCS Verified, SOCIALCARBON Standard
Total GHG Emission Reduction (life of carbon offset project)	~130 million tCO <sub>2</sub> e	~26 million tCO <sub>2</sub> e	~15 million tCO <sub>2</sub> e (assumes scale-up)
Non-Profit Partnerships	Tanjung Puting National Park and Orangutan Foundation International	NAKAWE Project	n.a.

	Rimba Raya	MarVivo	Cerrado Biome
Additional Benefits	<ul style="list-style-type: none"> <li>• Achieves all 17 UN SDGs</li> <li>• Protects endangered Bornean Orangutan and other IUCN RED listed species</li> </ul>	<ul style="list-style-type: none"> <li>• Protects several species on the IUCN RED list</li> <li>• Creates an ecotourism industry</li> <li>• Estimated US\$2M annual direct benefits to local communities</li> </ul>	<ul style="list-style-type: none"> <li>• Advances environmental education and professional development and biodiversity preservation</li> </ul>

***Rimba Raya Investment and Project Overview***

The Company has a purchase and sale agreement dated July 30, 2021 (the “**Rimba Raya Stream**”) with InfiniteEARTH Limited (“**InfiniteEARTH**”), the developer of the Rimba Raya Biodiversity Reserve Project (“**Rimba Raya**”), a REDD+ project (pursuant to the framework of the Reducing Emissions from Deforestation and forest Degradation (“**REDD**”)) that has been conserving tropical lowland peat swamp forests in Central Kalimantan, Indonesia for over a decade and contributes to all 17 of the UN SDGs. Under the Rimba Raya Stream InfiniteEARTH has agreed to sell to the Company all carbon credits generated from Rimba Raya, subject to the terms and conditions of the Rimba Raya Stream. Rimba Raya, for which InfiniteEARTH has exclusive carbon and marketing rights, is expected to create over 70 million credits over its remaining 20-year crediting period (approximately 3.5 million carbon credits per annum).

Pursuant to the terms of the transaction, the Company made an upfront cash investment of US\$22.3 million for the Rimba Raya Stream and entered into a strategic alliance agreement (the “**SAA**”) with the founders of InfiniteEARTH (“**Founders**”). InfiniteEARTH is an organization that develops and manages conservation land banks and provides environmental offsets and corporate social responsibility (CSR) solutions to companies across the globe. See “—*Other Agreements – InfiniteEARTH Strategic Alliance Agreement*”.

Under the terms of the Rimba Raya Stream, InfiniteEARTH will deliver 100% of the carbon credits generated by Rimba Raya (which currently is approximately 3.5 million carbon credits per annum) less up to 635,000 carbon credits per annum that are already committed to previous buyers. For all carbon credits that Carbon Streaming acquires under the Rimba Raya Stream, the Company will make ongoing payments to InfiniteEARTH for each carbon credit that is sold under the stream. In accordance with the terms of the Rimba Raya Stream, the Company is entitled to obtain security over the project carbon credits and implement a security agreement with InfiniteEARTH. The Company anticipates the next issuance of carbon credits, and first delivery pursuant to the Rimba Raya Stream, to occur in the first half of 2022.

Osisko Gold Royalties Ltd (“**Osisko**”) has provided notice to the Company that it has elected in principle to exercise its participation rights in respect of the Rimba Raya transaction. See “*Material Contracts*”. If Osisko exercises its participation right, Osisko will pay 20% of the upfront payment (making the net investment for the Company US\$17.84 million) and Osisko will receive 20% of the Rimba Raya Stream.

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 land ecosystems with the highest carbon storing capacity but also one of the most highly endangered ecosystems in the world. Since 2008, Rimba Raya has been an InfiniteEARTH project.

Rimba Raya follows the REDD framework and is considered a REDD+ project. REDD+ is a concept defined at the 2010 United Nations Climate Change Conference that augments REDD with the active prevention of forest degradation through forest management and enhancement of carbon stocks through afforestation. The project achieves GHG emission reductions by protecting 64,977 hectares of tropical lowland peat swamp forests from deforestation and preventing their conversion into palm oil plantations. 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 ~90 km eastern border of the park. The project area is rich in biodiversity, especially the endangered Bornean orangutan, with over 100 of the animals listed on the International Union for Conservation of Nature Red List of Threatened Species (IUCN RED) located within the Rimba Raya reserve.

Rimba Raya is verified under VCS. 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. Rimba Raya is the only REDD+ project in the world that has been verified by the SD VISTa Standard as contributing to all 17 UN SDGs. The infographic on page 11 sets out how Rimba Raya meets all 17 of the UN SDGs.

A total of 130 million tCO<sub>2</sub>e GHG emissions are projected by InfiniteEARTH to be reduced and avoided at Rimba Raya over the 30 years of the project. After assessing a 20% risk buffer, the total estimated reduced emissions under VCS are approximately 105 million tCO<sub>2</sub>e or 3,527,171 tCO<sub>2</sub>e per year.

A total of 36.5 million tCO<sub>2</sub>e verified emissions reductions have occurred at Rimba Raya and a total of 33.2 million tCO<sub>2</sub>e Verified Carbon Units (“**VCUs**”), the carbon credit unit of the Verra registry, have been issued as of June 30, 2019. The project has generated more net GHG emissions reductions (+12%) than was originally expected in the project design documentation (“**PDD**”) as filed on September 20, 2011.

Rimba Raya recently underwent its fifth VCS monitoring period and fourth CCB monitoring period for the time from June 23, 2017, to June 30, 2019, which resulted in 6,890,938 tCO<sub>2</sub>e VCUs being issued for the approximate two-year period. In its verification report for this monitoring period, Aenor International S.A.U. (“**Aenor**”) verified that the project met the requirements of both standards and validated the calculations of net GHG emission reductions. Aenor also completed the validation and verification of the project for its initial SD VISTa accreditation in September 2020.

The next VCS verification period will be from July 1, 2019, to June 30, 2021 with an estimated 7 million tCO<sub>2</sub>e VCUs expected to be issued in the first half of 2022, which will be under the terms of the Rimba Raya Stream. This verification period has been impacted by the COVID-19 pandemic. The Rimba Raya Stream requires Rimba Raya to have its GHG emissions reductions verified each year going forward so that VCUs may be issued annually.

Rimba Raya Verified Sustainable Development Goals

United Nations Sustainable Development Goals		Rimba Raya Qualifier	United Nations Sustainable Development Goals		Rimba Raya Qualifier
	1 NO POVERTY End poverty in all its forms everywhere	Employment, Micro-enterprises, Solar Power & Solar Lanterns		2 ZERO HUNGER End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Chicken Farms & Super Shrimp Paste
	3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages	Floating Clinic, Reading Glasses		4 QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Training, Scholarships, Community Centers & Village Libraries, Mangrove Reforestation
	5 GENDER EQUALITY Achieve gender equality and empower all women and girls	RRC employment, Chicken Farm & Super Shrimp Paste		6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all	Water filters and Water Filtration systems
	7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all	Solar Power & Solar Lanterns		8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Chicken Farm & Super Shrimp Paste
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Solar power, Micro-Credit, Chicken Farm & Super Shrimp Paste		10 REDUCED INEQUALITIES Reduce inequality within and among countries	Solar Power & Solar Lanterns, Water filters
	11 SUSTAINABLE CITIES AND COMMUNITIES Make cities and human settlements inclusive, safe, resilient and sustainable	Support for Tanjung Puting National Park, Orangutan Care Facility		12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns	School Curriculum, Climate Change/Sustainability
	13 CLIMATE ACTION Take urgent action to combat climate change and its impacts	Mangrove Reforestation & Peat Swamp Reforestation		14 LIFE BELOW WATER Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Seruyan River Cleanup, Mangrove Reforestation
	15 LIFE ON LAND Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Mangrove Reforestation & Peat Swamp Reforestation		16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Community Centers, Solar Power
	17 PARTNERSHIPS FOR THE GOALS Strengthen the means of implementation and revitalize the global partnerships for sustainable development	Development Donations			

A portion of the revenue generated from the sale of carbon credits goes directly to Rimba Raya to support local community development and provincial government infrastructure. In addition, money spent on project area protection and conservation can potentially lead to higher GHG emission reductions, and thereby increased carbon credits in future years. 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 which make significant contributions to Indonesia’s sustainable development goals and UN climate commitments.



A portion of the initial cash consideration paid by Carbon Streaming for the Rimba Raya Stream will go directly to Rimba Raya to fund their activities and community programs. InfiniteEARTH plans to utilize a portion of the upfront proceeds to advance an agroforestry with a mix of indigenous crop in community farms, additional orangutan release camps and increased education scholarships. Additionally, InfiniteEARTH plans to increase the frequency of floating medical clinic trips and expanded medical services, equipment and medical personnel for the communities surrounding Rimba Raya.

### ***MarVivo Investment and Project Overview***

Carbon Streaming has a purchase and sale agreement dated May 13, 2021 (the “**MarVivo Stream**”) with Fundación MarVivo Mexico, A.C. and MarVivo Corporation with respect to the MarVivo Blue Carbon Conservation Project (“**MarVivo**”), a mangrove forest and marine habitat conservation project to be developed in Magdalena Bay in Baja California Sur, Mexico that is expected to be developed as a REDD+ project and is expected to generate approximately 26 million “blue carbon” credits over its 30 year project life (approximately 0.8 million carbon credits per annum), which is expected to close in Q4 2021.

Under the MarVivo Stream the Company agreed to invest US\$6 million to implement the MarVivo project, which is in Magdalena Bay in Baja California Sur, Mexico, which is focused on the conservation of mangrove forest and its associated marine habitat. MarVivo 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 non-profit group NAKAWE Project, as well as the local communities of San Carlos (population ~5,000) and Lopez Mateos (population ~3,000), are also stakeholders involved in the project.

The MarVivo Stream is to 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 date of the first delivery of carbon credits, which is expected to occur in the first half of 2023. To acquire the MarVivo Stream, Carbon Streaming agreed to pay MarVivo Corporation an upfront payment of US\$6 million, which is expected to fully fund the initial project development costs. US\$2 million in cash will be paid upon closing, and the balance will be paid in four installments upon specific milestones being met during project development, with the final milestone payment being made upon verification of the project. In addition, the Company will make ongoing payments to MarVivo Corporation for each carbon credit that is sold under the stream. The Company expects the MarVivo transaction to close in Q4 2021, as it is pending to receive final local regulatory approval for the project. On closing, the Company is entitled to obtain security over the project carbon credits and implement a security agreement with MarVivo Corporation.

Osisko has provided notice to the Company that it intends to exercise its 20% participation rights in respect of the MarVivo transaction. See “*Material Contracts*”. With Osisko’s exercise of its participation right, Osisko will pay 20% of the upfront payment (making the net investment for the Company US\$4.8 million) and Osisko will receive 20% of the MarVivo Stream.

Magdalena Bay is home to Baja’s largest mangrove forest creating an incredibly 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 MarVivo project intends to prevent the same from occurring in Magdalena Bay. The project 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.

Blue carbon refers to carbon stored in coastal and marine ecosystems. 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 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.

A portion of the proceeds from the sale of MarVivo's 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 US\$2 million of direct annual benefits are estimated to be received by the local communities once MarVivo is fully operational. Project developers, 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.

Annual GHG emissions reductions for MarVivo are estimated at 872,122 tCO<sub>2</sub>e by MarVivo Corporation, which totals approximately 26 million tCO<sub>2</sub>e over the initial 30-year project life. MarVivo Corporation plans to have the project registered and validated under the VCS and CCB Standard. The project start date for crediting is anticipated to be January 1, 2022, with the first carbon credits from the MarVivo project expected in the first half of 2023. The Company believes the MarVivo carbon credits will attract premium pricing due to being "blue carbon" credits and the additional Co-Benefits that will be attributed to the project.

### ***Cerrado Biome Stream and Project Overview***

Carbon Streaming has a purchase and sale agreement dated September 8, 2021 (the "**Cerrado Biome Stream**") with Ecosystem Regeneration Associates – ERA Brazil ("**ERA**") with respect to ERA's Avoided Conversion Cerrado project in Brazil (the "**Cerrado Biome**") that is being developed as a REDD+ grouped project.

Under the Cerrado Biome Stream the Company agreed to invest US\$0.5 million to implement and scale up the Cerrado Biome project, which is aimed at protecting native forests and grasslands in the Cerrado biome, one of the most biodiverse savannah regions in the world. Verification of the project is underway with Verra, through the VCS Standard, under a grouped project model and is anticipated to be completed in late 2021, with credit sales beginning in 2022. In accordance with the terms of the Cerrado Biome Stream, the Company is entitled to obtain security over the project's carbon credits and implement security with ERA.

The Company's expectation is that the project will generate an average of approximately 0.5 million carbon credits per year over its 30-year project life, with initial credit generation of approximately 0.1 million carbon credits per year. ERA has adopted the reputed 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.

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 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.

A portion of future carbon revenues under the Cerrado Biome Stream will be re-invested locally to support thriving communities and preserve the unique biodiversity of the region, promoting 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 such keystone species such as jaguars, tapirs, macaws, maned wolves, giant armadillos, and giant anteaters.

***BCI Term Sheet***

The Company has entered into an exclusive term sheet (the “**BCI Term Sheet**”) with Bonobo Conservation Initiative (“**BCI**”) to provide initial funding of US\$500,000 for BCI to develop two carbon credit projects within the Bonobo Peace Forest (“**BPF**”) located in the Democratic Republic of Congo (the “**DRC**”). The specific terms of definitive streaming agreements will be determined once the initial feasibility study work for the carbon credit projects has been completed. The two projects account for over 67% of the total 5,258,700 hectares (ha) area within the BPF and offer a combined potential to avoid and remove hundreds of millions of tonnes of CO<sub>2</sub>e over the 30-year span of the agreement. They are located within the Sankuru Nature Reserve (3,057,000 ha) and the Kokolopori Bonobo Reserve (479,480 ha). These projects are expected to generate multiple social and economic benefits for local communities and help spearhead biodiversity conservation measures. The REDD+ framework will be used to define the projects, both of which are anticipated to be certified through the VCS. The Company expects the projects to be developed over the next 18-24 months.

**Other Agreements**

***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 investment 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.

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 22,695,900 Common Shares (the “**Founders’ Common Shares**”) to the Founders for entering the SAA. The Founders’ Common Shares are currently being held as security to guarantee the obligations of InfiniteEARTH under the Rimba Raya Stream, with 1/3 of the Founders’ Common Shares being released 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 participation rights in respect of the Rimba Raya transaction, which includes the SAA. See “*Material Contracts*”. 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 investment 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.

***Other Carbon Market Investments***

The Company from time to time intends to make various investments in companies that are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits markets.

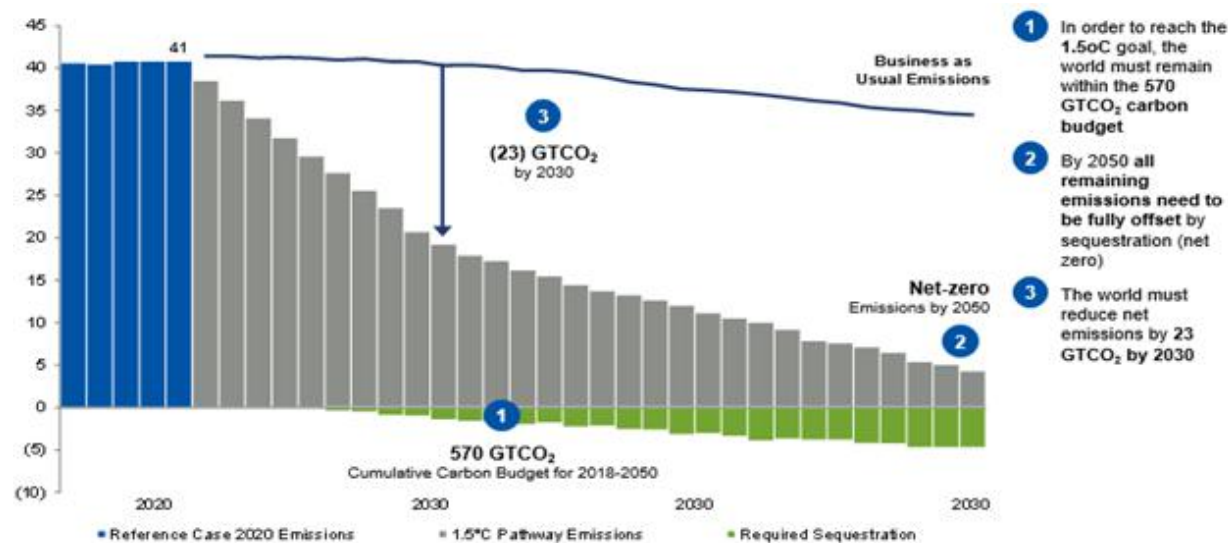
**Background on Carbon Markets**

***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% of current levels 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<sub>2</sub> Net Emissions)<sup>1</sup>



*Note: 570GT of cumulative CO<sub>2</sub> emissions from 2018 for a 66% chance of a 1.5oC increase in global mean surface temperature (GMST). While emissions fell by a quarter at the peak of COVID-related lock-down, daily emission have rebounded to be only 5% lower than 2019 levels. Scenarios to 2050 still remain the same.*

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<sub>2</sub>) 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 their previous report published less than three years ago.<sup>2</sup>

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, currently tracks the net-zero commitments of countries, which can be found on their website at <https://eciu.net/netzerotracker>.

**Carbon Pricing**

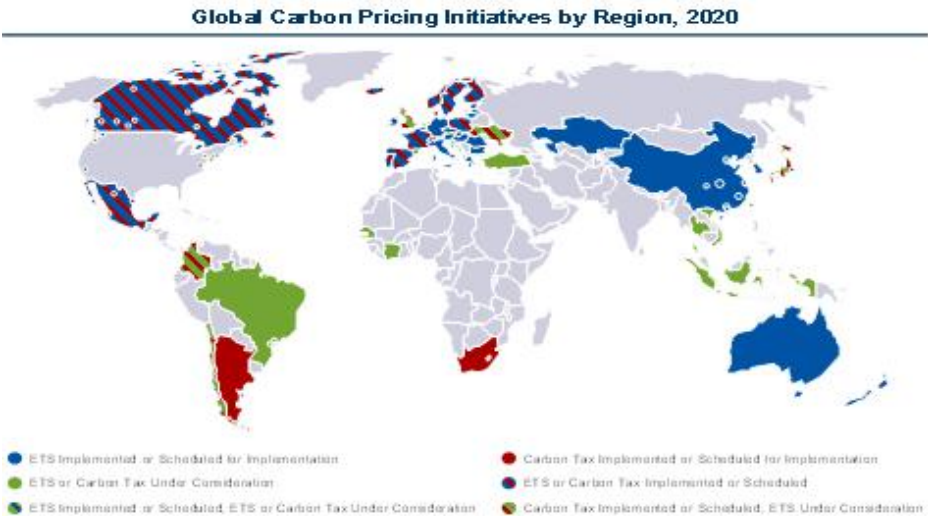
Carbon pricing is expected to play a critical role in efforts to move to a net-zero goal by incentivizing innovation and progress in decarbonization technologies. Carbon pricing is about recognizing the cost of pollution and accounting for those costs in daily decisions while incentivizing consumers 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<sub>2</sub>e. Carbon dioxide equivalent converts other GHGs, such as methane and nitrous oxide, into the amount of CO<sub>2</sub> which would have the equivalent global warming impact. It enables different GHGs to be combined and described in a common unit.

<sup>1</sup> Taskforce on Scaling Voluntary Carbon Markets, Final Report, January 2021.

<sup>2</sup> IPCC, Sixth Assessment Report: Climate Change 2021 – The Physical Science Basis, August 9, 2021.

Carbon pricing is being used by governments as a cost-effective tool to achieve their GHG emissions reduction goals. According to the World Bank Group, there are presently 64 carbon pricing initiatives in the form of carbon taxes or emission trading systems (“ETS”) that have been implemented or are scheduled for implementation by national, subnational or regional jurisdictions. In an ETS, a jurisdiction or coalition of members sets a cap on the total annual GHG emissions to be generated by specific industries. The cap then 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.



Carbon prices in many jurisdictions, however, remain substantially lower than those needed to achieve the objectives of the Paris Agreement, with half of covered emissions priced at less than US\$10/tCO<sub>2</sub>e as of May 2020. The High-Level Commission on Carbon Prices, led by former World Bank chief economist Nicholas Stern, estimated that carbon prices of at least US\$50-100/t CO<sub>2</sub>e are required by 2030 to cost-effectively reduce emissions in line with the Paris Agreement.

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<sup>3</sup>, 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<sub>2</sub>e, 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 approaches for fighting climate change and the development of two broad types of carbon markets: compliance and voluntary.

<sup>3</sup> CDP, Putting a Price on Carbon, April 2021.

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 Scheme (“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 value (it was also the largest ETS by volume until China launched its national ETS in July 2021). As discussed in “*Carbon Pricing*”, ETSs are created and regulated by national or regional jurisdictions and collectively form the compliance carbon market. 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 global voluntary carbon markets function outside of the jurisdictional compliance market(s) and allow corporations, governments, asset managers and individuals that have voluntarily agreed to offset their GHG emissions to purchase carbon credits in the voluntary market in order to achieve their sustainability objectives. Carbon credits are purchased on the voluntary market and then “retired” by the purchaser to offset their GHG emissions. The issuing, transferring and retiring of carbon credits is executed through a registry (e.g. Verra). 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 ETSs. 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 US\$320 million in trades in 2019, representing 104 MtCO<sub>2</sub>e in carbon credits.<sup>4</sup> In comparison, global compliance markets traded €229 billion (US\$261 billion) in value representing volume of 10.3 GtCO<sub>2</sub>e in 2020.<sup>5</sup>

However, voluntary markets are expected to have strong growth in both volume and value of credits going forward.<sup>6</sup> The Taskforce on Scaling Voluntary Carbon Markets estimates that demand in the voluntary market for carbon credits could grow by approximately 15-fold to 1.5 to 2 GtCO<sub>2</sub> of carbon credits per year in 2030 from today, and by 100-fold to 7 to 13 GtCO<sub>2</sub> per year by 2050.

In January 2021, Trove Research undertook an analysis on the potential size of the voluntary carbon markets. They projected a range for demand of carbon offsets in 2030 to be 500 to 900 MtCO<sub>2</sub>e, increasing to 3 to 9.5 GtCO<sub>2</sub>e in 2050. The projected market value of the voluntary carbon market estimated by Trove Research is shown in the figure below with the green representing their low scenario (corporate demand for carbon offsets increases at 19% annually to 2025 (the average rate of growth over the last 4 years) and then 10% annually from 2025 to 2050) and the blue representing their high scenario (19% annual growth to 2030 and 15% annual growth to 2050). Both Trove Research scenarios exclude additional demand from Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and EU oil companies.

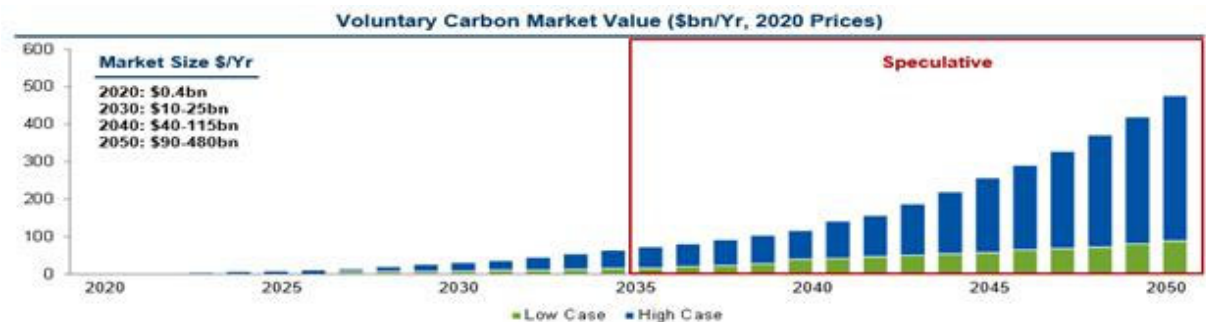
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<sup>4</sup> Ecosystem Marketplace “State of the Voluntary Carbon Markets 2020”, September 2020.

<sup>5</sup> Refinitiv, Carbon Market Year in Review 2020.

<sup>6</sup> Trove Research – The Global Voluntary Carbon Market (January 2021).

Voluntary carbon market size projections<sup>7</sup>



Carbon Credit Exchanges & Pricing

Carbon credits are traded on both private and public markets. Some exchanges that specialize in the trading of carbon credits include the European Climate Exchange, the NASDAQ OMX Commodities Europe exchange, and the European Energy Exchange. The prices of carbon credits are primarily driven by the levels of supply and demand in the markets.

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 year the credit was created), verification standard and associated Co-Benefits (such as job creation, water conservation or preservation of biodiversity).

Projects Generating Carbon Credits

Projects generating carbon credits are typically grouped into two categories: (i) avoidance / reduction projects, such as forest conservation, renewable energy or methane capture and (ii) removal / sequestration projects, such as reforestation/afforestation, wetland restoration or direct air capture technology, the most common 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 (i.e. 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 includes projects which help protect existing forests that would have otherwise been deforested without such conservation efforts and the revenue generated from carbon credits.
- *Improved energy efficiency.* Carbon credits may be created from improved energy efficiency 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. Costs of solar and other renewables projects vary based on the type of renewable, the geographic location of the project and project scale.

<sup>7</sup> Trove Research – The Global Voluntary Carbon Market (January 2021).



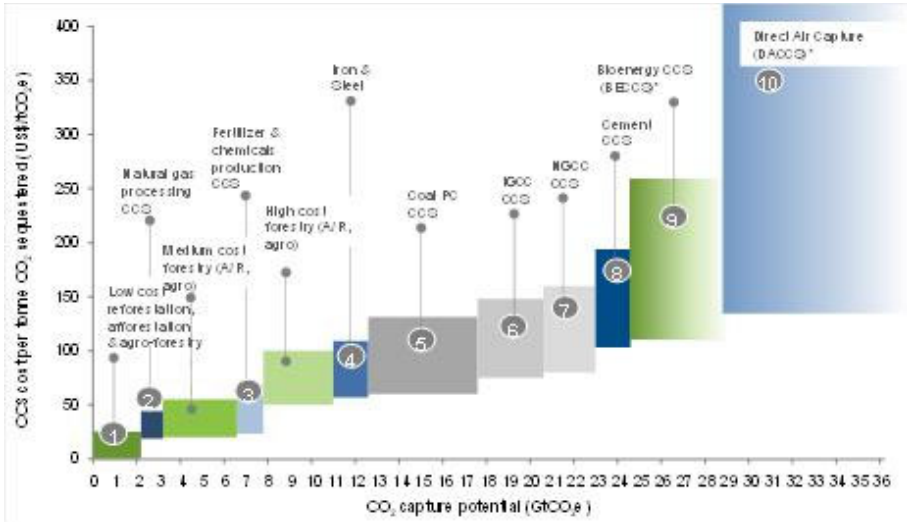
- *Wetland restoration.* Wetlands are globally important carbon sinks, storing vast amounts of carbon. Peatlands hold a disproportionate amount of the earth’s soil carbon, and coastal wetlands such as mangroves, salt marshes and sea grass beds are vital for the sequestration of “blue carbon” (the high-density and long-life carbon that accumulates in coastal systems as a result of their high productivity and sediment trapping ability).
- *Methane capture.* These projects capture methane from landfills or agricultural 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 destroy GHGs by flaring, in turn generating electricity that can be harnessed for other purposes such as heating or fuel for vehicles.

**The Cost of Carbon Credit Projects**

Carbon credit projects have various cost points that may make them more or less attractive for companies or developers to pursue in order to achieve their climate initiatives.

The table below shows the steep cost curve associated with carbon sequestration activities, which includes natural carbon sinks and CCUS that reduce net emissions by removing carbon from the atmosphere. The table depicts carbon abatement potential as a result of prospective sequestration technologies. Given that direct air carbon capture storage’s (DACCS) carbon abatement potential is essentially limitless, the x axis is arbitrary and not intended to define potential bounds.

**Carbon sequestration cost curve (US\$/tCO2) and the GHG emissions abatement potential (GtCO2)<sup>8</sup>**



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

<sup>8</sup> Goldman Sachs, Carbonomics - Innovation, Deflation and Affordable De-carbonization, October 13, 2020. CCS=carbon, capture and storage; DACC=direct air carbon capture.

## *Credit Verification Standards*

Carbon verification standards set the project design, implementation, monitoring, and reporting criteria against which a project's carbon offsetting activities and/or environmental and social Co-Benefits can be certified or verified. In the voluntary markets, a number of competing standards organizations have emerged with the intent to increase credibility in the marketplace. Some of the more commonly used and internationally recognized standards include the VCS administered by Verra, The Gold Standard, American Carbon Registry and Climate Action Reserve.

One of the major roles of crediting standards is to outline approved accounting methodologies for carbon credit generation. The methodology applied during the initial project design stage will directly influence the duration of the project as well as expected annual carbon credit production. The project developer /proponent is responsible for, among other things, defining the applicable methodology, engaging in the registration process with the applicable standard organization, and cooperating in the annual verification process that ensures the continued generation of credits over the life of the project.

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 removal must be realized and quantified based on a credible baseline using a recognized methodology expressed using standard GHG metrics. For example, a range of factors are considered when estimating forest offsets, 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.
- *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 in relation to forest offsets) then buffer pools can sometimes be put in place to minimize that risk and account for reversals should they occur.
- *Verified.* The emissions reductions or removals from the project should be monitored, reported and verified by a qualified, independent third-party in accordance with verification standards.
- *Leakage accounted for and minimized:* The carbon offset 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 emissions 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.

### *Verified Carbon Standard (Verra) Overview*

The Verified Carbon Standard (VCS) program is one of the most widely used voluntary GHG programs in the world with nearly 1,700 certified VCS projects.<sup>9</sup> In addition, according to Ecosystems Marketplace, as of August 2021, over 85% of all transacted voluntary carbon credits in 2021 were issued through Verra.

The standard helps uphold the creditability of carbon credit projects by subjecting them to a rigorous set of rules and requirements. Once projects have been certified by Verra, project proponents can be issued tradable carbon credits called Verified Carbon Units (VCUs).

There are three key components of the VCS:

- *Independent Auditing:* All VCS projects are subject to initial and ongoing desk and field audits by both qualified independent third parties and Verra staff to ensure that standards are met and methodologies are properly applied.
- *Accounting Methodologies:* Projects are assessed using a technically robust GHG emission reduction quantification methodology specific to that project type.
- *Registry System:* The registry system is the central storehouse of data on all registered projects, and tracks the generation, retirement and cancellation of all VCUs. To register with the program, projects must show that they have met all standards and methodological requirements.

### *Project Registration Process*

In order for Verra and other carbon standards 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. The registration process starts with project design, where the project developer/proponent outlines specific project activities, implementation costs, conducts stakeholder consultation, and outlines the accounting methodology for quantifying GHG emission reductions and removals. All of these elements are usually accompanied by a scientific feasibility study and then summarized into a draft project design document (PDD) before being submitted to Verra for initial consideration.

Once the draft PDD has been reviewed by Verra, an approved third-party auditor will be contracted to conduct an independent review of the proposed project. This process, known as ‘validation’, 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 PDD is submitted to Verra for final review, approval and certification.

Once a project is certified by VCS, it is required to be monitored and reviewed by independent auditors on a regular basis. It is during this “monitoring period” that project activities carried out are compared with the activities outlined in the PDD. At the end of each monitoring period, an independent auditor issues a report verifying that the project has met all requirements outlined by the registration authority and has validated the calculations of actual net GHG emission reductions and removals achieved during that monitoring period. Once emissions reductions have been independently verified, VCU credits are then issued by Verra to the project developer/proponent.

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<sup>9</sup> See <https://verra.org/project/vcs-program/>

### *Co-Benefits*

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 offsets to be differentiated based on their underlying social, biodiversity and sustainability co-benefits. For example, the CCB Standard identifies projects that simultaneously address climate change, support local communities and smallholders, and conserve 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 investment strategy, the Company will continue to rely on its personnel. See *"Risk Factors – Dependence on Key Management."*

#### **Social and Environmental Policies**

As an ESG principled company, the Company is committed to conducting its business in a socially, environmentally and ethically responsible manner and recognizes the importance of a strong ESG framework to support this goal. The Company has adopted a comprehensive set of corporate policies, including a Code of Business Conduct and Ethics (the **"Code"**), which reflect its commitment to this standard. A copy of the Code can be found on the Company's website at [www.carbonstreaming.com](http://www.carbonstreaming.com).

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 guides its investments. See *"Description of the Business - Carbon Streaming Impact Investing Policy."*

#### **Governance**

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

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 has oversight of environmental, social and governance matters. 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.

#### **Employees**

As of the date of this AIF, the Company had eight employees. 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, the Amalgamation, the appointment of new management, the adoption of a new investment strategy focused on carbon markets, and the raising of significant financing.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Three Year History

The Company has undertaken the following corporate activities:

- On September 17, 2021, the Company announced that the Board had approved a future share consolidation, whereby every 5 pre-consolidation Common Shares will be consolidated into one post-consolidation common share.
- On September 13, 2021, the Company announced that it had entered into the Cerrado Biome Stream. See “*Description of the Business – The Company’s Carbon Credit Portfolio*”.
- On August 25, 2021, the Company filed a preliminary non offering prospectus to qualify distribution and trading of the Special Warrants.
- On August 19, 2021, the Company announced that it had been accepted as a member of the International Emissions Trading Association (IETA), a non-profit business organization created in June 1999 to establish a functional international framework for trading in greenhouse gas emission reductions.
- On August 3, 2021, the Company announced that it had signed the Rimba Raya Stream and SAA, which subsequently closed on August 5, 2021. See “*Description of the Business– The Company’s Carbon Credit Portfolio*” and “*- Other Agreements*”.
- On July 30, 2021, the Company announced that its Common Shares had commenced trading on the Frankfurt Stock Exchange under the symbol M2QA.
- On July 27, 2021, the Common Shares and the March 2026 Warrant commenced trading on the NEO Exchange under the symbols “NETZ” and “NETZ.WT”, respectively.
- On July 19, 2021, the Company completed the Private Placement.

### *Year Ended June 30, 2021*

- On June 29, 2021, Justin Cochrane was re-appointed to the Board as part of the Company's annual shareholders meeting.
- On June 9, 2021, the Company announced that it had expanded its management team through the addition of Michael Psihogios as Chief Investment Officer, Anne Walters as General Counsel and Corporate Secretary, Alec Kushnir as EVP, Energy Carbon Credit Origination, and Amy Chambers as Director, Marketing, Communications & Sustainability.
- On June 7, 2021, the Company announced that it had entered into a strategic partnership with WZ. See *"Description of the Business – Other Agreements"*.
- On June 3, 2021, the Company announced that it had entered into an exclusive term sheet with BCI. See *"Description of the Business – The Company's Carbon Credit Portfolio"*.
- On May 17, 2021, the Company announced that it had entered into the MarVivo Stream. See *"Description of the Business – The Company's Carbon Credit Portfolio"*.
- On May 12, 2021, the Company completed a private placement for aggregate proceeds of \$11,611,000 through the sale of 11,611,000 Common Shares at a price of \$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 \$32,474,451 through the sale of 43,299,268 Units at \$0.75 per Unit (each Unit consisting of one Common Share and one Warrant exercisable at \$1.50 per Common Share until March 2, 2026).
- 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 \$3,667,500 through the sale of 14,670,000 Units at \$0.25 per Unit, with each Unit consisting of one Common Share and one Warrant exercisable at \$0.75 per Common Share until January 27, 2026.
- On December 22, 2020, the Company raised \$172,500 through the sale of 3,450,000 Units at \$0.05 per Unit, with each Unit consisting of one Common Share and one Warrant exercisable at \$0.125 per Common Share until December 22, 2025.
- On December 16, 2020, the Company raised \$70,000 through the sale of 1,400,000 Units at \$0.05 per Unit, with each Unit consisting of one Common Share and one Warrant exercisable at \$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"**) pursuant to an amalgamation agreement dated June 15, 2020 whereby: (i) the Company's subsidiary, 1247374 B.C. Ltd. amalgamated with 1247372 B.C. Ltd. (**"Fundco"**) to form a new amalgamated company, Amalco; (ii) the Company issued an aggregate of 14,280,000 Common Shares 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 (the **"Amalgamation Agreement"**).

- 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 (so as to have 695,636 post-consolidated Common Shares outstanding).
- 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 \$714,000 through the sale of units of Fundco).
- In February 2020, the Company was successful in obtaining full revocation orders to all three cease trade orders (“CTOs”).

***Year Ended June 30, 2019 (and prior)***

- Until 2012, the Company’s principal business purpose was to acquire and explore mineral properties in North America. From 2012 to early 2020, the Company was inactive. Since June 2020, the Company’s focus has been on acquiring and investing in carbon credits in the compliance and voluntary carbon markets.
- 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 CTOs and delisted from the TSX-V on May 9, 2017 following the failure of a previous management team to file statements for the fiscal year ended June 30, 2012, and corresponding MD&A and certifications. The CTOs 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).

## **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.

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

### *Dependence upon key management*

The Company is dependent upon the continued availability and commitment of its key management, whose contributions to immediate 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 & Chief Executive Officer and Chief Financial Officer, respectively, of Nickel 28 Capital Corp.

### *Limited operating history for the Company's current strategy*

Following the completion of the Amalgamation, the Company changed its business strategy from a focus on the natural resource sector to the carbon credits markets. Prior to the Amalgamation, the Company did not have any record of operating under an investment 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 trading, stream agreements for carbon credits, 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 make profitable acquisitions of carbon credits, streams or other interests. In particular, its future growth and prospects will depend on its ability to expand its portfolio of investments while at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Company's business, financial condition and results of operations.

The Company has sought and will continue to seek to invest in carbon credits, and businesses or investments related to carbon credits. In pursuit of such opportunities, the Company may fail to identify or select appropriate investment targets, or negotiate acceptable arrangements, including arrangements to finance the investments. The Company may be unable to identify or select appropriate investment targets in the numbers or at the pace it currently expects for a variety of reasons, 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; (vi) other government or regulatory actions that could impact the Company's business model.



### *Concentration risk*

The business of the Company is to invest in carbon credits, and businesses or investments related to carbon credits. Given the concentration of the Company's exposure to carbon credits, the Company's investment portfolio will be more susceptible to adverse economic or regulatory occurrences affecting carbon credits and carbon markets than an investment fund that holds a diversified portfolio of securities.

Further, the Company has entered into three carbon credit stream agreements, one of which is expected to close in Q4 2021, MarVivo. Any adverse development affecting the development and operation of Rimba Raya, Cerrado Biome or MarVivo, including our ability to close the MarVivo transaction, 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 diversification is achieved, the Company will continue to have a significant portion of its assets dedicated to a small number of carbon credit projects, and businesses or investments related to carbon credits.

### *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 royalty and stream financing model is relatively new in the carbon credit industry, it may not gain acceptance, or experience widespread growth, as anticipated.

The Company's current investment 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 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.

### *Fluctuating price of carbon credits*

The principal factors anticipated to affect the price of the Common Shares and Warrants are factors which may affect the price of carbon credits and are thus beyond the Company's control. The price at which the Common Shares and Warrants are traded will be influenced by a number of factors, some specific to the Company and some which may affect listed companies generally. These factors could include the performance of the Company, legislative and regulatory changes and 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. Changes in government priorities 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 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. It is likely that the market price for the Company's carbon credits will be subject to market trends generally.

#### *Reduced demand for carbon credits*

The demand for, and the market price of, 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 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 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 may fall to an unsustainably low price, preventing profitability of the Company.

#### *Lack of liquidity and high volatility 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 investments will find a market. The carbon credit market, particularly the voluntary markets, have experienced a high level of price and 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.

#### *Verification, cancellation and other risks associated with carbon credits*

In seeking to acquire and grow a diversified and high-quality portfolio of streams and investments in projects that generate carbon credits over the long term, the Company's intention is to have all such project(s) validated through a compliance market or by an internationally recognized carbon credits standards body in the voluntary market, such as through VCS administered by Verra. The Company may also have Co-Benefits validated by standards such as the CCB Standard, SOCIALCARBON or the SD Vista Standard, also administered by Verra. Any actual or proposed changes to international carbon standards or verification requirements and/or the implementation of any national or international laws, treaties or regulations by governmental entities and/or any adverse changes to existing governmental policies with respect to carbon credits (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.

In addition, the projects that the Company enters into 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 investments in such projects, and may result in a material and adverse effect on our profitability, results of operations and financial condition.

*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 is regulated by specific jurisdictions pursuant to regional legislation or can be voluntary. When regulated (e.g. in the European Union and in the Western Climate Initiative jurisdictions), 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.

*Impact of the COVID-19 pandemic*

The ongoing COVID-19 pandemic could materially 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 investment opportunities, and on the development, management and operation of carbon credit projects by third parties. The projects comprising the Company's current carbon credit portfolio are, and future investment 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.

In recent months, there has been increased availability and administration of vaccines against COVID-19, as well as an easing of certain travel and other restrictions. However, even with increased vaccination against COVID-19, local or regional resurgences continue, as well as the outbreak of mutations 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.

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 harms our business and results of operations, many of the other risks described in this “Risk Factors” section may also be heightened.

#### *Liquidity concerns and future financing requirements*

The Company had negative cash flow from operations for the year ended June 30, 2021. It is likely the Company will operate at a loss until we are able to realize cash flow from our investments. 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 their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

#### *Foreign operation and political risk*

The Company’s investments may be focused in a particular country, countries, or region and therefore may be susceptible to adverse market, political, regulatory, and geographic events affecting that country, countries or region. A significant proportion of the Company’s short-term and medium-term opportunities are located outside of North America. Such geographic focus also may subject the Company and its investments to a higher degree of volatility.

In particular, as of the date of this AIF, the projects that the Company has contracted with to generate carbon credits are located in Indonesia, Mexico, Brazil and the DRC. There is no guarantee against any future political, or economic instability in Indonesia, Mexico, Brazil, the DRC, or neighboring countries that might adversely affect the Company.

Risks the Company may face with respect 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, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls, export controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or other events.

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

#### *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.

#### *Rights of third parties*

Some streams may be subject to: (i) buy-down right provisions pursuant to which an operator, developer, 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.

#### *Dependence on third party project developers, owners and operators*

Carbon credits received by the Company are derived from projects that are operated by third parties. These third parties will be responsible for determining the manner in which the relevant properties are developed, operated and managed, including decisions that could expand, continue or reduce the number of carbon credits generated from a property or an asset. As a holder of streams 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 developers, 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.

#### *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.

#### *Streams may not be honoured by developers or operators of a project*

Streams are largely contractually based. 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. 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.

#### *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 risk*

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

### *Permits & licenses*

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

### *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. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and valuation. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity; the volatility of carbon credit prices would impact our revenues, profits, losses, cash flow and the value of our carbon credit holdings; and continued recessionary pressures could adversely impact demand for carbon credits and related investments. These factors could have a material adverse effect on our financial condition and operating results.

### *Foreign exchange rates*

Carbon credits are typically purchased in U.S. currency. However, the Company currently maintains its accounting records, reports its financial position and results, pays certain operating expenses and has its securities listed on an exchange, in Canadian currency. Although the Company intends to adopt U.S. currency as its functional currency for the coming fiscal year, fluctuation in the U.S. currency exchange rate relative to the Canadian currency could negatively impact the value of the securities. Investment in carbon credits and/or equity securities denominated in a currency other than Canadian currency will be affected by the changes in the value of the Canadian dollar in relation to the value of the currency in which the carbon credit or security is denominated. Because exchange rate fluctuations are beyond 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.

### *Future acquisitions*

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

### *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, 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.

### *Regulatory change*

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

### *Litigation*

The Company may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If such disputes arise and we are unable to resolve these disputes favorably, it may have a material and adverse effect on the Company's profitability, results of operations and financial condition.



### *Conflicts of interest*

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

### *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 Indonesia, Mexico, Brazil and the DRC. 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 Rimba Raya is located in Indonesia, the MarVivo project is located in Mexico, the Cerrado Biome project is located in Brazil, the BCI projects are located in the DRC, and 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.

### *Sensitivity to nature and climate conditions*

The physical risks of climate change may also have an adverse effect on our operations. 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. Also see the risk "*Verification, cancellation and other risks associated with carbon credits*".

### *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 "*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 an unlimited number of 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.

### *Increased expenses as a result of being a listed public company*

The Company is subject to additional significant 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. Compliance with applicable securities laws in Canada and the rules of the NEO Exchange substantially increase expenses, including legal and accounting costs, and make some activities more time consuming and costly. Canadian securities laws and the rules of the NEO Exchange 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 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 a substantial increase in legal, accounting, insurance and certain other 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.

## **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 103,364,237 Common Shares issued and outstanding as of June 30, 2021. As of the date of this AIF, there are 126,135,137 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:

- (i) 14,280,000 Warrants exercisable to acquire Common Shares at a price of \$0.125 per Common Share at any time up until April 22, 2025;
- (ii) 1,400,000 Warrants exercisable to acquire Common Shares at a price of \$0.125 per Common Share at any time up until December 16, 2025;
- (iii) 3,450,000 Warrants exercisable to acquire Common Shares at a price of \$0.125 per Common Share at any time up until December 22, 2025;
- (iv) 14,670,000 Warrants exercisable to acquire Common Shares at a price of \$0.75 per Common Share at any time up until January 27, 2026;
- (v) 43,299,268 Warrants exercisable to acquire Common Shares at a price of \$1.50 per Common Share at any time up until March 2, 2026; and
- (vi) 104,901,256 Unit Warrants (issuable upon deemed exercise of the Special Warrants) exercisable to acquire Common Shares at a price of US\$1.50 per Common Share at any time up until September 19, 2026, to be issued pursuant to a warrant indenture dated as of July 19, 2021 between the Company and Odyssey Trust Company, as warrant agent. See “- *Special Warrants*”

## Special Warrants

On July 19, 2021, the Company closed the Private Placement and issued 104,901,256 Special Warrants at a price of US\$1.00 per Special Warrant.

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires another security of the Company on exercise of the Special Warrant (as more fully described in the preliminary prospectus qualifying the distribution of such Special Warrants, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of such prospectus or an amendment thereto containing a misrepresentation:

- (i) the holder is entitled to rescission of both the holder’s exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired;
- (ii) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or the Company, as the case may be, on the acquisition of the Special Warrant; and
- (iii) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

As of the date of this AIF, there are 63,897,601 Warrants and 104,901,256 Special Warrants issued and outstanding. Accordingly, an aggregate of up to 63,897,601 Common Shares are issuable upon the exercise of all outstanding Warrants and 209,802,512 Common Shares are issuable upon the exercise of all outstanding Special Warrants (including the exercise of the underlying warrant).

*Options, Restricted Share Units and Performance Share Units*

The Company has adopted the Long-Term Incentive Plan (the “**Incentive Plan**”) as a means to provide incentive to eligible directors, officers, employees and consultants. As at June 30, 2021 there were 3,200,000 Options, 2,500,000 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, as well as the total monthly trading volumes of the Common Shares, on the NEO Exchange since the listing of the Common Shares on the NEO Exchange on July 27, 2021:

Month	High (\$)	Low (\$)	Volume
July 2021	\$ 2.90	\$ 1.51	2,310,489
August 2021	\$ 2.97	\$ 1.71	5,937,932
September 1 - 24, 2021	\$ 2.75	\$ 2.08	3,303,951

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 since the listing of the March 2026 Warrants on the NEO Exchange on July 27, 2021:

Month	High (\$)	Low (\$)	Volume
July 2021	\$ 2.44	\$ 1.25	165,478
August 2021	\$ 1.75	\$ 1.20	767,917
September 1 – 24, 2021	\$ 1.35	\$ 0.90	649,563

**Prior Sales**

In connection with the various unit offerings, the Company issued Warrants, which (other than the March 2026 Warrants) are unlisted. Below sets out the price each unit offering was issued, number of securities issued at that price and the date on which such securities were issued:

Date of Issuance	Type of Security	Price	Number of Securities <sup>(1)</sup>	Aggregate Issue Price	Type of Transaction
June 17, 2020	Common Shares	\$0.05	14,280,000		
	Warrants	n/a	14,280,000	\$ 714,000	Acquisition <sup>(2)</sup>
December 16, 2020	Units <sup>(3)</sup>	\$ 0.05	1,400,000	\$ 70,000	Private Placement
December 22, 2020	Units <sup>(4)</sup>	\$ 0.05	3,450,000	\$ 172,500	Private Placement
January 27, 2021	Units <sup>(5)</sup>	\$ 0.25	14,670,000	\$ 3,667,500	Private Placement
March 11, 2021	Units <sup>(6)</sup>	\$ 0.75	43,299,268	\$ 32,474,451	Private Placement
April 9, 2021	Units <sup>(7)</sup>	\$ 0.75	333,333	N/A	Payment for Services
July 19, 2021	Special Warrants	US\$1.00	104,901,256	US\$104,901,256	Private Placement

Notes:

- (1) All figures are on a post-Consolidation basis.
- (2) Issued pursuant to the Amalgamation.
- (3) Each Unit consisted of one Common Share and one Warrant to acquire a Common Share at \$0.125 per Common Share until December 16, 2025.
- (4) Each Unit consisted of one Common Share and one Warrant to acquire a Common Share at \$0.125 per Common Share until December 22, 2025.
- (5) Each Unit consisted of one Common Share and one Warrant to acquire a Common Share at \$0.75 per Common Share until January 27, 2026.
- (6) Each Unit consisted of one Common Share and one March 2026 Warrant to acquire a Common Share at \$1.50 per Common Share until March 2, 2026. The March 2026 Warrants are listed on the NEO under the symbol “NETZ.WT.”
- (7) In exchange for services, the Company issued 333,333 Units. Each Unit is comprised of one Common Share and one Warrant, with each Warrant exercisable at \$1.50 per Common Share until March 2, 2026.

**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:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	22,695,900	17.99%

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*”.

**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	Position	Principal Occupation for Past Five Years	Director Since
<b>Maurice Swan</b> <sup>1,2,3</sup> <i>Ontario, Canada</i>	Chairman, Director	Lawyer and General Counsel of Superior Gold Inc. since March 2020; Until July 2019, a corporate partner at Stikeman Elliott LLP	Jan. 27, 2021
<b>R. Marc Bustin</b> <sup>1, 2</sup> <i>British Columbia, Canada</i>	Director	Professor of Geology at the University of British Columbia, President of RMB Earth Science Consultants, and Chief Technical Officer for Renewable Geo Resources Ltd.	March 31, 2021
<b>Saurabh Handa</b> <sup>1,3</sup> <i>British Columbia, Canada</i>	Director	CFO of Metalla Royalty & Streaming Ltd. and 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	March 31, 2021
<b>Andy Tester</b> <sup>2,3</sup> <i>Oregon, U.S.A.</i>	Director	Naturalist and labor advocate, primarily in the Pacific Northwest and Alaska	Jan. 27, 2021
<b>Jeanne Usonis</b> <i>California, U.S.A</i>	Director	Director at Regent Advisors LLC	March 31, 2021
<b>Justin Cochrane</b> <i>Ontario, Canada</i>	Director, President, & CEO	President and CEO of the Company since January 2021. President and CEO of Nickel 28 Capital Corp.; formerly the President & COO of Cobalt 27 Capital Corp.; formerly the Executive Vice President and Head of Corporate Development for Sandstorm Gold Ltd.; spent nine years in investment banking and equity capital markets with National Bank Financial	June 29, 2021
<b>Conor Kearns</b> <i>Ontario, Canada</i>	CFO	CFO of the Company since January 2021. CFO of Nickel 28 Capital Corp.; formerly Vice President of Finance of Cobalt 27 Capital Corp.; formerly CFO of EFT Canada Inc.	N/A
<b>Michael Psihogios</b> <i>British Columbia, Canada</i>	Chief Investment Officer	Joined the Company in May 2021. Until May 2021, CFO of DUMAS Contracting Ltd.	N/A
<b>Anne Walters</b> <i>Ontario, Canada</i>	General Counsel & Corporate Secretary	Joined the Company in June 2021. From March 2017 until June 2021, Head of Legal, Canada for Frontera Energy Corporation; former lawyer at Stikeman Elliott LLP	N/A

Notes:

- (1) Member of the Audit Committee of the Board.
- (2) Member of the Corporate Governance, Nominating & Sustainability Committee of the Board.
- (3) Member of the Compensation Committee of the Board.

## *Experience*

A description of the principal occupation for the past five years and summary of the experience of the directors and officers of the Company is as follows:

### *Maurice Swan, Chairman, Director*

Mr. Swan is a lawyer and is General Counsel of Superior Gold Inc. Previously, he was a partner at Stikeman Elliott LLP. Mr. Swan practiced corporate law at Stikeman Elliott LLP for over 24 years with wide ranging experience, including extensive work in debt capital markets, securitization, corporate finance, and mergers and acquisitions, and with a particular focus on transactions in the global mining and metals sector. Mr. Swan is currently a board member of Nickel 28 Capital Corp. Mr. Swan earned leading lawyer accolades from publications including Lexpert, International Finance & Law Review, Who's Who Legal and Best Lawyers. Mr. Swan holds a B.A. from York University and an L.L.B. from Osgoode Hall Law School and is a member of the Ontario Bar.

### *R. Marc Bustin, Director*

Dr. Bustin is Professor of Geology at the University of British Columbia, President of RMB Earth Science Consultants, and Chief Technical Officer for Renewable Geo Resources Ltd. Dr. Bustin has over 40 years' experience as a researcher, consultant and officer in companies engaged in the fields of carbon capture and storage, mineral and fossil fuel exploitation, and renewable and alternate energy resource development. Dr. Bustin has served as a director, officer and technical advisor for a variety of large and small companies in Europe, Africa, North America, South America, Australia, New Zealand and Asia. 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. Leveson 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.

### *Saurabh Handa, Director*

Mr. Handa is currently the Chief Financial Officer for Metalla Royalty & Streaming Ltd., a TSX-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.

### *Andy Tester, Director*

Mr. Tester is a naturalist and labor advocate. Over the past 20 years, he has spent the majority of his time in the Pacific Northwest and Alaska working to raise awareness on the plight of endangered salmon and steelhead runs, through guiding and other efforts to bring people to the outdoors. He is a member of the International Longshore & Warehouse Union. Mr. Tester holds a B.A. from Eastern Oregon University.



*Jeanne Usonis, Director*

Ms. Usonis has over 20 years of corporate finance and capital markets experience. She is a Director at Regent Advisors LLC, which provides corporate advisory services for equity and debt financings, mergers and acquisitions and joint ventures. She has advised on several initial public offerings and reverse takeover transactions on Canadian and London stock exchanges. Previously, she worked at N M Rothschild & Sons (Washington) LLC where she assisted in the structuring and financing of natural resource projects in emerging market countries. Prior thereto, she worked at Salomon Smith Barney, responsible for structuring taxable and tax-exempt financings. Ms. Usonis graduated summa cum laude with a B.S. in Finance from Villanova University.

*Justin Cochrane, Director, President & CEO*

Mr. Cochrane has 20 years of royalty and stream financing, M&A and corporate finance experience. His streaming and royalty expertise includes acting as President and CEO of Nickel 28 Capital Corp. and formerly the President & COO of Cobalt 27 Capital Corp. Both companies focused on streaming and royalty agreements on battery metals. Cobalt 27 raised over \$1 billion in equity and debt prior to its sale to Pala Investments Limited in 2019.

Prior to Cobalt 27, Mr. Cochrane served as the Executive Vice President and Head of Corporate Development for Sandstorm Gold Ltd. His expertise is in the structuring, negotiation, execution and funding of royalty and stream financing contracts around the world, totaling over \$2 billion across 50+ projects. Prior to Sandstorm, he spent nine years in investment banking and equity capital markets with National Bank Financial where he covered the resource, clean tech and energy technology sectors. In addition, Mr. Cochrane is currently a board member of Nickel 28 Capital Corp. and Nevada Copper Corp. and an investment committee member of Duke Royalty Limited. Mr. Cochrane is a CFA Charterholder.

*Conor Kearns, CFO*

Mr. Kearns has nearly two decades of accounting, auditing, finance and tax structuring experience providing advisory services to a wide array of businesses, with a recent focus on streaming and royalty businesses. Most recently serving as the CFO of Nickel 28 Capital Corp., a base metals streaming and royalty company, and prior to that as Vice President of Finance of Cobalt 27 Capital Corp., an electric metals streaming and royalty company. Prior to joining Cobalt 27, Mr. Kearns was the Chief Financial Officer of EFT Canada Inc., a fintech company which provides advanced electronic payment services and tools for businesses.

*Michael Psihogios, Chief Investment Officer*

Mr. Psihogios has over fifteen years of financing, M&A, and corporate finance experience. He has extensive expertise in sourcing, structuring, due diligence, and negotiating both financing and M&A transactions from corporate and private equity perspectives across multiple industries throughout Europe, Africa, the Americas, and Australasia.

Most recently, Mr. Psihogios was the Chief Financial Officer of DUMAS, a specialized construction and engineering firm. Prior to DUMAS, he worked with an international private equity fund on numerous executive and corporate development secondment roles within portfolio companies, involved in raising capital and the ultimate sale of each business. Prior to a career in private equity, he worked in investment banking with National Bank Financial in the M&A group.

Mr. Psihogios holds an M.B.A. from the University of Toronto and the University of St. Gallen (Switzerland).

*Anne Walters, General Counsel & Corporate Secretary*

Ms. Walters is a lawyer with nearly twenty years of experience in the Canadian corporate sector. Prior to joining the Company, she worked in-house, as the head of the Canadian legal team at Frontera Energy Corporation, a TSX listed energy company with South American operations. Prior to that, she practiced law at Stikeman Elliott LLP, working in the areas of corporate finance and M&A.

Ms. Walters holds a JD from the University of Toronto, an M.B.A. from the University of Toronto, and a B.A. from McGill University. She is also a member of the Ontario Bar.

***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 4,726,666 Common Shares (without giving effect to the exercise of Special Warrants), which represented approximately 3.75% 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.

**Advisory Board**

The Company engages advisors to assist in the areas of carbon markets, forest management and development, carbon offset projects, marketing, corporate governance and the like. The current advisors engaged are as follows:

*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.

*Mike Harcourt*

Mr. Harcourt served as Premier of British Columbia 1991-96, City Councillor 1972-1980, and prior to that, mayor of Vancouver from 1981-86. Mr. Harcourt helped the province earn its reputation as one of the most liveable places in the world. After stepping down from politics, he was appointed by the Prime Minister to serve as a member of the National Round Table on the Environment and Economy, 1996-2004. There, Mr. Harcourt served on the Executive Committee and Chaired the Urban Sustainability Program. He was also a federally appointed BC Treaty Commissioner 2003-2007 and was appointed Chair of the Prime Minister's Advisory Committee for Cities and Communities mandated to examine the future of Canada's cities and communities in 2003.

Mr. Harcourt was the lead faculty of United Way's Public Policy Institute, 2009 – 2021 and was on the advisory board of Canada's ECOFISCAL Commission. As well, he Chaired Age-Well to improve the quality of life for aging Canadians. He currently dedicates his time to numerous initiatives such as sustainability education, Aboriginal economic development, and promoting healthy living. He co-chairs Dogwood 25, a collaborative which supports the academic success of Aboriginal students.

#### *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.

#### *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.

#### **Investment Committee**

The Company has also established an investment committee comprised of members of senior management, the Board and the Advisory Board to review proposed transactions identified by management and to make recommendations regarding such transactions to the Board. At present, the committee is chaired by Kristen Kleiman and is comprised of the following individuals: Maurice Swan, Jeanne Usonis, Justin Cochrane and Michael Psihogios with other members added on an ad hoc basis.

#### **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:

- (a) 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;
- (b) 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;
- (c) 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
- (d) 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.

For a description of certain historical CTOs in respect of the Company prior to commencement of its current business and operations, see *“General Development of the Business – Three Year History – Year Ended June 30, 2020”* and *“- Year Ended June 30, 2019 (and prior)”*.

## 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), Maurice Swan and R. Marc Bustin.

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, Swan and Bustin is 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-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.

*Maurice Swan.* Mr. Swan is a lawyer and is General Counsel of Superior Gold Inc. Previously, he was a partner at Stikeman Elliott LLP. Mr. Swan practiced corporate law at Stikeman Elliott LLP for over 24 years with wide ranging experience, including extensive work in debt capital markets, securitization, corporate finance, and mergers and acquisitions, and with a particular focus on transactions in the global mining and metals sector. Mr. Swan is currently a board member of Nickel 28 Capital Corp. and serves on its audit committee. Mr. Swan earned leading lawyer accolades from publications including Lexpert, International Finance & Law Review, Who’s Who Legal and Best Lawyers. Mr. Swan holds a B.A. from York University and an L.L.B. from Osgoode Hall Law School and is a member of the Ontario Bar.

*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.

**Audit Committee Oversight**

At no time since the commencement of the Company’s most recent 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:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>1</sup></b>	<b>Audit Related Fees<sup>2</sup></b>	<b>Tax Fees<sup>3</sup></b>	<b>All Other Fees<sup>4</sup></b>
June 30, 2021	\$ 50,500	\$ 5,000	nil	nil
June 30, 2020	\$ 10,000	nil	nil	nil

Notes:

- 1. Baker Tilly WM LLP became auditor of the Company effective July 8, 2020. Audit fees prior to such time were paid to the Company’s former auditor, Dale Matheson Carr-Hilton Labonte LLP.
- 2. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “Audit Fees”.
- 3. Fees charged for tax compliance, tax advice and tax planning services.
- 4. Fees for services other than disclosed in any other column.

## PROMOTERS

Justin Cochrane, President and CEO, can be considered a promoter of the Company in that he took the initiative to restructure the Company to become a company involved in the carbon credits markets, and to arrange for new management and financing. As of the date of this AIF, Mr. Cochrane holds an aggregate of 1,235,000 Common Shares (representing approximately 0.97% of the Company's current issued and outstanding Common Shares), 1,235,000 Warrants, 125,000 Special Warrants, 500,000 Options and 500,000 RSUs. Mr. Cochrane is currently entitled to receive US\$300,000 per annum in management salary for acting as the President and CEO of the Company. For more information concerning Mr. Cochrane, see "*Directors and Officers*".

## 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 2020.

## TRANSFER AGENT AND REGISTRAR

The Company's registrar and transfer agent is Odyssey Trust Company with its office at Suite 323 – 409 Granville Street, Vancouver, British Columbia.

## 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;
- (ii) the Investor Rights Agreement; and
- (iii) the Special Warrant Indenture.

Copies of these material contracts are available for review on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Investor Rights Agreement**

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. Osisko currently holds 6,750,000 Common Shares (representing 5.35% of the Common Shares), 6,000,000 Warrants and 4,000,000 Special Warrants.

### ***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 10,800,000 Common Shares and Warrants 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.

### ***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. During times that Osisko, together with its affiliates, beneficially own directly or indirectly, (i) until the date that is three (3) years from the date of the Investor Rights Agreement, not less than an aggregate of 10,800,000 Common Shares and Warrants and (ii) at any time after the date that is three (3) years from the date of the Investor Rights Agreement, not less than 7.5% of the issued and outstanding Common Shares, 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 same ownership conditions, either (i) or (ii), as applicable, 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.

### **Special Warrant Indenture**

On July 19, 2021, in connection with the Private Placement, the Company entered into a Special Warrant Indenture between the Company and Odyssey Trust Company, as special warrant agent (the “**Special Warrant Indenture**”). The Special Warrant Indenture provides for the creation and issuance of up to 110,000,000 Special Warrants. Each Special Warrant is automatically exercisable for no additional consideration into one Unit, subject to adjustment in certain events, at 5:00pm (Toronto time) on the earliest of: (a) the third business day after the date that a receipt is issued for a final prospectus by the securities regulatory authorities in the Qualifying Jurisdictions qualifying the Units to be issued upon the Qualifying Transaction and (b) the Automatic Exercise Date.

### **INTERESTS OF EXPERTS**

The Company’s auditor is Baker Tilly WM LLP, Chartered Professional Accountants, Suite 900 – 400 Burrard Street, Vancouver, BC V6C 3B7. Baker Tilly WM LLP is independent from the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The Company’s former auditor was Dale Matheson Carr-Hilton Labonte LLP of Vancouver, British Columbia (replaced July 8, 2020).

### **ADDITIONAL INFORMATION**

This information and other pertinent information relating to the Company may be found on SEDAR at [www.sedar.com](http://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, 2021. 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.

## GLOSSARY OF CERTAIN TERMS

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

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

“**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.

“**Amalco**” means 1253661 B.C. Ltd.

“**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 Common Shares 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.

“**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.

“**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.

“**Automatic Exercise Date**” means November 20, 2021.

“**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 Term Sheet**” means the exclusive term sheet with BCI to provide initial funding for BCI to develop two carbon credit projects within the Bonobo Peace Forest located in the DRC.

“**BCI**” means the Bonobo Conservation Initiative.

“**Board**” means the Company’s board of directors, as constituted from time to time.

“**BPF**” means the Bonobo Peace Forest, a network of community-managed protected areas that spans 5,258,700 hectares in the DRC.

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

“**Carbon Streaming**” or the “**Company**” means Carbon Streaming Corporation.

“**CCB Standard**” means the Climate, Community and Biodiversity Standard.

“**CCUS**” means carbon capture, usage and storage technologies.

“**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).

“**CO<sub>2</sub>**” means carbon dioxide.

“**CO<sub>2</sub>e**” means carbon dioxide equivalent, the base reference for the determination of the global warming potential of greenhouse gases in units of CO<sub>2</sub>.

“**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 Common Share for every 100 pre-consolidation Common Shares, that became effective on June 15, 2020.

“**CTO**” means Cease Trade Order.

“**DRC**” means the Democratic Republic of Congo.

“**ERA**” means Ecosystem Regeneration Associates – ERA Brazil.

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

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

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

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

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

“**Founders’ Common Shares**” means the 22,695,900 Common Shares that the Company issued pursuant to the terms of the SAA.

“**Fundco**” means 1247372 B.C. Ltd.

“**GHG**” means greenhouse gas.

“**GtCO<sub>2</sub>**” means one billion tonnes of carbon dioxide.

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

“**Incentive Plan**” means the Company’s Long-Term Incentive Plan. See “*Options to Purchase Securities*”.

“**InfiniteEARTH**” means Infinite-EARTH 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.

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

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

“**MarVivo**” means the MarVivo Blue Carbon Conservation Project.

“**MtCO<sub>2e</sub>**” means million tonnes of carbon dioxide equivalent.

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

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

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

“**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 “*Options to Purchase Securities*”.

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

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

“**Private Placement**” means the private placement of 104,901,256 Special Warrants (as defined herein) 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.

“**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.

“**Qualifying Transaction**” means the issuance of a final prospectus by the securities regulatory authorities in the Qualifying Jurisdictions qualifying the Units to be issued upon the exercise of the Special Warrants.

“**REDD**” means Reducing Emissions from Deforestation and forest Degradation, a framework developed by the United Nations Framework Convention on Climate Change.

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

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

“**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](http://www.sedar.com).

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

“**Special Warrant Indenture**” means the special warrant indenture dated July 19, 2021 between the Company and Odyssey Trust Company, as special warrant agent.

“**Special Warrants**” means the 104,901,256 Special Warrants issued on July 19, 2021 pursuant to the Private Placement, at a price of US\$1.00 per Special Warrant. Each Special Warrant is automatically exercisable for no additional consideration into one Unit, subject to adjustment in certain events, at 5:00pm (Toronto time) on the earliest of: (a) the third business day after the date that a receipt is issued for a final prospectus by the securities regulatory authorities in the Qualifying Jurisdictions qualifying the Units to be issued upon the Qualifying Transaction and (b) the Automatic Exercise Date.

“**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.

“**tCO<sub>2</sub>**” means one tonne of carbon dioxide.

“**tCO<sub>2</sub>e**” means one tonne of carbon dioxide equivalent.

“**TSX-V**” means the TSX Venture Exchange.

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

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

“**Unit Warrant**” means a Common Share purchase warrant of the Company under each Unit.

“**Unit**” means the 104,901,256 units 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 Unit Warrant.

“**VCS**” means Verified Carbon Standard, which is administered by Verra, an international institution based in Washington D.C. that manages carbon offset standards.

“**VCUs**” means verified carbon units.

“**Warrant Expiry Date**” means the date sixty-two (62) months from the date of issue.

“**Warrant Share**” means a Common Share issued upon exercise of a Unit Warrant.

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

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

**APPENDIX “A”  
AUDIT COMMITTEE CHARTER**



**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

**Form 52-109F1 – IPO/RTO**  
***Certification of Annual Filings Following***  
***an Initial Public Offering, Reverse Takeover or***  
***Becoming a Non-Venture Issuer***

I, Justin Cochrane, the President & Chief Executive Officer of Carbon Streaming Corporation, certify the following:

1. **Review:** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of Carbon Streaming Corporation (the “issuer”) for the financial year ended June 30, 2021.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: September 27, 2021

*(signed) “Justin Cochrane”*

Justin Cochrane  
President & Chief Executive  
Officer

**NOTE TO READER**

In contrast to the usual certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), namely, Form 52-109F1, this Form 52-109F1 – IPO/RTO does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of an issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 in the first financial period following

- completion of the issuer’s initial public offering in the circumstances described in s. 4.3 of NI 52-109;
- completion of a reverse takeover in the circumstances described in s. 4.4 of NI 52-109; or
- the issuer becoming a non-venture issuer in the circumstances described in s. 4.5 of NI 52-109;

may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**Form 52-109F1 – IPO/RTO**  
***Certification of Annual Filings Following***  
***an Initial Public Offering, Reverse Takeover or***  
***Becoming a Non-Venture Issuer***

I, Conor Kearns, the Chief Financial Officer Officer of Carbon Streaming Corporation, certify the following:

1. **Review:** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of Carbon Streaming Corporation (the “issuer”) for the financial year ended June 30, 2021.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: September 27, 2021

(signed) “Conor Kearns”

Conor Kearns  
Chief Financial Officer

**NOTE TO READER**

In contrast to the usual certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), namely, Form 52-109F1, this Form 52-109F1 – IPO/RTO does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of an issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 in the first financial period following

- completion of the issuer’s initial public offering in the circumstances described in s. 4.3 of NI 52-109;
- completion of a reverse takeover in the circumstances described in s. 4.4 of NI 52-109; or
- the issuer becoming a non-venture issuer in the circumstances described in s. 4.5 of NI 52-109;

may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.



NEO Exchange: NETZ  
FSE: M2QA

## NEWS RELEASE

### CARBON STREAMING ANNOUNCES SHARE CONSOLIDATION

TORONTO, ONTARIO, September 17, 2021 – Carbon Streaming Corporation (NEO: NETZ) (FSE: M2QA) (“**Carbon Streaming**” or the “**Company**”) is pleased to announce that, in connection with the previously announced potential additional listing of its common shares (“**Common Shares**”) on a U.S. exchange, such as the Nasdaq or the NYSE, the Company is implementing a consolidation (reverse stock split) of the Common Shares (“**Consolidation**”).

The board of directors has determined in accordance with the constating documents of the Company that the Consolidation will be on the basis of one post-Consolidation Common Share for every five pre-Consolidation Common Shares (1-for-5). “The share consolidation is an important step in our previously announced U.S. listing strategy,” said Justin Cochrane, President and CEO of Carbon Streaming. “We believe it could allow Carbon Streaming the opportunity to significantly broaden our reach to new potential investors when we list on a U.S. exchange, which in turn could provide the Company with increased flexibility, enhanced liquidity and a higher profile with potential investors.”

Subject to approval of the NEO Exchange Inc., the Common Shares are expected to commence trading on a post-Consolidation basis within the next 3 to 5 weeks.

Registered shareholders holding share certificates will be mailed a letter of transmittal by the Company’s transfer agent, Odyssey Trust Company, advising of the Consolidation and instructing them to surrender their share certificates representing pre-Consolidation Common Shares for replacement certificates or a direct registration advice representing their post-Consolidation Common Shares. Until surrendered for exchange, following the effective date of the Consolidation, each share certificate formerly representing pre-Consolidation Common Shares will be deemed to represent the number of whole post-Consolidation Common Shares to which the holder is entitled as a result of the Consolidation. If, as a result of the Consolidation, a shareholder would otherwise be entitled to a fraction of a Common Share in respect of the total aggregate number of pre-consolidation Common Shares held by such shareholder, no such fractional Common Share will be awarded. The aggregate number of Common Shares that such shareholder is entitled to will, if the fraction is less than one half of one share, be rounded down to the next closest whole number of Common Shares, and if the fraction is at least one half of one share, be rounded up to one whole Common Share.

Holders of Common Shares who hold uncertificated Common Shares (that is Common Shares held in book-entry form and not represented by a physical share certificate or direct registration statement), either as registered holders or beneficial owners, will have their existing book-entry account(s) electronically adjusted by the Company’s transfer agent or, for beneficial shareholders, by their brokerage firms, banks, trusts or other nominees that hold in street name for their benefit. Such holders do not need to take any additional actions to exchange their pre-Consolidation Common Shares for post-Consolidation Common Shares. If you hold your shares with such a bank, broker or other nominee, and if you have questions in this regard, you are encouraged to contact your nominee.

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The Company's proposed U.S. listing is dependent on satisfying applicable exchange quantitative and qualitative listing standards and there is no assurance that such listing will be completed.

### **About Carbon Streaming Corporation**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

To receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

### **ON BEHALF OF THE COMPANY:**

Justin Cochrane, President and CEO  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

### **INVESTOR INQUIRIES:**

[investors@carbonstreaming.com](mailto:investors@carbonstreaming.com)

### **Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, 'forward-looking information') within the meaning of applicable securities laws. 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 (including, without limitation, statements with respect to the potential additional listing of the Company on a U.S. exchange, the expected benefits of such listing, and the timing thereof) are forward-looking information. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's AIF dated as of June 30, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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NEO Exchange: NETZ  
FSE: M2QA

## NEWS RELEASE

### CARBON STREAMING ANNOUNCES CARBON CREDIT STREAMING AGREEMENT TO PROTECT CERRADO BIOME IN BRAZIL

TORONTO, ONTARIO, September 13, 2021 – Carbon Streaming Corporation (NEO: NETZ) (FSE: M2QA) (“**Carbon Streaming**” or the “**Company**”) is pleased to announce that it has entered into a carbon credit streaming agreement (“**Carbon Stream**”) to invest approximately US\$0.5 million with Ecosystem Regeneration Associates – ERA Brazil (“**ERA**”) to support the development and growth of ERA’s Avoided Conversion Cerrado grouped project in Brazil (the “**Cerrado Biome Project**” or the “**Project**”). The Cerrado Biome Project is aimed at protecting native forests and grasslands in the Cerrado biome, one of the most biodiverse savannah regions in the world, albeit a highly threatened ecosystem due to the expansion of commercial agriculture.

#### Investment Highlights:

- Under the Carbon Stream, ERA expects to deliver Voluntary Carbon Standard (“**VCS**”) credits generated by the Cerrado Biome Project.
- US\$512,258 investment with approximately US\$250,000 paid on closing, followed by two separate payments at specific project milestones during development, implementation, validation and verification by Verra.
- The use of proceeds of the investment into ERA is to scale-up and build the organizational capacity to support the expansion of the Project.
- The Company’s expectation is that the Project will generate an average of approximately 0.5 million VCS credits per year over its 30-year project life, with initial credit generation of approximately 0.1 million VCS credits per year.

#### Project Highlights:

- The Project has been developed using a REDD+ grouped project scale-up model and currently consists of 2 parcels of approximately 11 thousand hectares.
- Verification of the Project is ongoing and anticipated to be completed in late 2021, with credit sales beginning in 2022.
- Expansion plans are underway to bring in additional parcels of land to increase the annual carbon credit generation.
- ERA has adopted the reputed 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 United Nations Sustainable Development Goals.

Carbon Streaming’s President & CEO Justin Cochrane said: “At Carbon Streaming we are always looking for high-quality carbon projects that complement our growing portfolio, that can provide sustainable returns and accelerate co-benefits for stakeholders. The Cerrado Biome Project is just such an opportunity, and we see significant growth potential to provide a stream of high-quality credits while protecting a unique biome. ERA has a vision that aligns with our own, and we’re excited by their ambition and look forward to seeing their plans for the future come to fruition.”

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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.

ERA’s founder and CEO Hannah Simmons said: “We are losing the Cerrado biome at an alarming rate, roughly 2.5 times faster than the Amazon biome, giving way to agriculture and cattle ranching. 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.”

A portion of future carbon revenues under the Carbon Stream will be re-invested locally to support thriving communities and preserve the unique biodiversity of the region, promoting 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 such keystone species as jaguars, tapirs, macaws, maned wolves, giant armadillos, and giant anteaters.

### **About ERA**

ERA’s mission is to accelerate ecosystem conservation and catalyze regenerative agricultural systems in Brazil. Founded in 2018, ERA connects investors to landholders that want to regenerate or conserve their lands using carbon finance. By providing an economic incentive to landholders to maintain native vegetation, ERA hopes to guarantee the future of this habitat, and the species that rely on it for survival, as well as the wellbeing of local communities. More information on ERA can be found [here](#).

### **About Carbon Streaming Corporation**

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To receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

### **ON BEHALF OF THE COMPANY:**

Justin Cochrane, President and CEO  
Tel: 647.846.7765  
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[www.carbonstreaming.com](http://www.carbonstreaming.com)

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**INVESTOR INQUIRIES:**

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**Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including, statements and figures with respect to the estimation of future carbon credit generation and greenhouse gas (GHG) emissions reductions at the Cerrado Biome Project; the use of the upfront payment and proceeds from the Carbon Stream; the generation of local community benefits; the conservation and protection of forests, grasslands and endangered species; the creation of future carbon credits; ERA’s strategy going forward) are forward-looking information. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s AIF dated as of June 30, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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**CARBON STREAMING CORPORATION**  
**and**  
**ODYSSEY TRUST COMPANY**

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**SPECIAL WARRANT INDENTURE**  
**PROVIDING FOR THE CREATION AND ISSUE OF UP TO 110,000,000 SPECIAL WARRANTS**  
Dated as of July 19, 2021

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SCHEDULE “A” FORM OF SPECIAL WARRANT CERTIFICATE		
SCHEDULE “B” EXPIRY DATE NOTICE		

**THIS SPECIAL WARRANT INDENTURE** is made as of the 19<sup>th</sup> day of July, 2021

**BETWEEN:**

**CARBON STREAMING CORPORATION** a company existing under the laws of the Province of British Columbia

(the “**Company**”)

- and -

**ODYSSEY TRUST COMPANY**, a trust company incorporated under the laws of the Province of Alberta and authorized to carry on business in the Provinces of Alberta and British Columbia

(the “**Special Warrant Agent**”)

**WHEREAS:**

- A. The Company is proposing to create and issue up to an aggregate of 110,000,000 Special Warrants at a price of \$1.00 per Special Warrant upon the terms and conditions set forth in this Indenture;
- B. One Special Warrant will, subject to adjustment as provided for in this Indenture, entitle the holder to acquire one Unit (as defined below) of the Company at no additional cost upon the terms and conditions set forth in this Indenture;
- C. All necessary acts and deeds have been undertaken and performed by the Company to make the Special Warrants when created and issued as provided in this Indenture, legal, valid and binding upon the Company, with the benefits set forth in, and subject to the terms of, this Indenture; and
- D. The foregoing recitals are made as representations and statements of fact of the Company and not by the Special Warrant Agent.

**NOW THEREFORE, THIS INDENTURE WITNESSETH** that for good and valuable consideration mutually given and received, the receipt and sufficiency of which is hereby acknowledged, the Company hereby appoints the Special Warrant Agent as agent for the Special Warrantholders, to hold the rights, interests and benefits contained herein of and on behalf of those persons who from time to time become holders of Special Warrants issued pursuant to this Indenture, and the parties hereto agree as follows:

**ARTICLE 1  
INTERPRETATION**

**Section 1.1 Definitions**

In this Indenture, including the recitals above and schedules hereto and in all indentures supplemental hereto, the following words and terms will have the indicated meanings:

“**Accredited Investor**” means (i) an “accredited investor” within the meaning of Rule 501(a) of Regulation D or (ii) an “accredited investor” in accordance with section 2.3 of NI 45-106, as applicable;

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“**Adjustment Period**” has the meaning ascribed thereto in Section 4.1;

“**Applicable Legislation**” means such provisions of any statute of the United States, Canada or of a Province or Territory thereof, and the regulations under any such named or other statute, including Securities Laws, relating to special warrant indentures or to the rights, duties and obligations of corporations and of agents under special warrant indentures to the extent that such provisions are at the time in force and are applicable to this Indenture;

“**Applicable Procedures**” means (i) with respect to any transfer or exchange of beneficial ownership interests in, or the exercise of, a Special Warrant, the applicable rules, procedures or practices of the Depository and the Special Warrant Agent in effect at the time of such transfer, exchange or exercise, and (ii) with respect to any issuance, deposit or withdrawal of the Special Warrants from or to an electronic position evidencing a beneficial ownership interest in the Special Warrants, the rules, procedures or practices followed by the Depository and the Special Warrant Agent at the time of such issuance, deposit or withdrawal;

“**Authenticated**” means (i) with respect to the issuance of a Special Warrant Certificate, one which has been duly signed by the Company and authenticated by manual signature of an authorized officer of the Special Warrant Agent, or (ii) with respect to the issuance of an Uncertificated Special Warrant, one in respect of which the Special Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Special Warrant as required by Section 2.7 are entered in the register of holders of Special Warrants, and “Authenticate”, “Authenticating” and “Authentication” have the appropriate correlative meanings;

“**Beneficial Owner**” means a person that has a beneficial interest in a Special Warrant;

“**Book-Entry Only System**” means the book-based securities transfer system administered by CDS in accordance with its operating rules and procedures in force from time to time;

“**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Vancouver, British Columbia or Toronto, Ontario are not open for business;

“**CDS Global Special Warrant Certificate**” means Special Warrants representing all or a portion of the aggregate number of Special Warrants issued in the name of the Depository represented by an Uncertificated Special Warrant, or if requested, by the Depository or the Company, by a Special Warrant Certificate;

“**Closing Date**” means July 19, 2021, or such other date as the Company may agree for the closing of the offering of Special Warrants;

“**Confirmation**” has the meaning ascribed thereto in Section 3.1(3);

“**Common Shares**” means fully paid and non-assessable common shares in the capital of the Company as presently constituted;

“**Counsel**” means a barrister or solicitor or a firm of barristers and solicitors, which may include counsel for the Company, retained by the Special Warrant Agent or retained by the Company and acceptable to the Special Warrant Agent, acting reasonably;

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**“Current Market Price”** of the Common Shares at any date means the weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the 20 consecutive Trading Days ending five (5) days prior to such date on the Exchange or if on such date the Common Shares are not listed on the Exchange, on such stock exchange upon which such Common Shares are listed and as selected by the directors of the Company, or, if such Common Shares are not listed on any stock exchange then on such over-the-counter market as may be selected for such purpose by the directors of the Company, and, if no such market exists, then the Current Market Price shall be determined by the directors of the Company acting reasonably and in good faith, which determination shall be conclusive. The weighted average price shall be determined by dividing the aggregate sale price of all such shares sold on the said exchange during the said twenty consecutive Trading Days by the total number of such shares so sold;

**“Depository”** or **“CDS”** means CDS Clearing and Depository Services Inc., or its successor, or any other depository offering a book-based securities registration and transfer system similar to that administered by CDS which the Company, with the consent of the Special Warrant Agent, acting reasonably, may designate to be the depository for the Special Warrants;

**“Designated Province”** means each Selling Jurisdiction in Canada where Special Warrants are actually distributed;

**“director”** means a director of the Company for the time being and, unless otherwise specified herein, reference to action “by the directors” means action by the directors of the Company as a board or, whenever duly empowered, action by any committee of such board;

**“Dividends paid in the Ordinary Course”** means dividends paid on the Common Shares in any fiscal year of the Company, whether in (1) cash, (2) shares of the Company, (3) warrants or similar rights to purchase any shares of the Company, or (4) property or other assets of the Company, provided that the amount or value of such dividends (any such shares, warrants or similar rights, or property or other assets so distributed to be valued at the fair market value of such shares, warrants or similar rights, or property or other assets, as the case may be, as determined by action by the Directors (such determination to be conclusive)) does not in such fiscal year exceed the greater of:

- (a) 150% of the aggregate amount or value of dividends paid by the Company on the Common Shares in its immediately preceding financial year; and
- (b) 100% of the consolidated net income of the Company (before extraordinary items but after dividends payable on all shares ranking prior to or on a parity with the Common Shares with respect to the payment of dividends) for its immediately preceding financial year, determined in accordance with Canadian generally accepted accounting principles,

and for the purpose of the foregoing where any individual is paid otherwise than in cash, any securities so distributed by way of dividend shall be valued at the fair market value of such securities;

**“Effective Date”** means the date of this Indenture;

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

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**“Exercise Date”** means, with respect to any Special Warrant, either: (i) the date on which the Special Warrant Certificate representing such Special Warrant is voluntarily surrendered for exercise pursuant to Section 3.1; or (ii) the date the Special Warrants are automatically exercised pursuant to Section 3.6;

**“Expiry Date”** means the earlier of:

- (a) the third Business Day after the Qualification Date; and
- (b) the date that is four (4) months and one (1) day following the Closing Date;

**“Expiry Date Notice”** means a written notice in the form set out in Schedule “B” attached hereto executed by the Company confirming the date of the automatic exercise of the Special Warrants;

**“Expiry Time”** means 4:30 p.m. (Toronto time) on the Expiry Date;

**“extraordinary resolution”** has the meaning set forth in Section 7.11;

**“Internal Procedures”** means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register (including without limitation, original issuance or registration of transfer of ownership), the Special Warrant Agent’s then current internal procedures customary for such entry, change or deletion;

**“MI 11-102”** means Multilateral Instrument 11-102 - Passport System;

**“NI 45-106”** means National Instrument 45-106 – *Prospectus Exemptions*;

**“NP 11-202”** means National Policy 11-202 - Process for Prospectus Reviews in Multiple Jurisdictions;

**“Participant”** means a person recognized by the Depository as a participant in the Book- Entry Only System;

**“person”** means an individual, body corporate, partnership, trust, trustee, executor, administrator, legal representative or any unincorporated organization;

**“Principal Regulator”** means the British Columbia Securities Commission or such other Securities Regulator as may be determined pursuant to MI 11-102;

**“Prospectus”** means the (final) short or long form prospectus of the Company, as applicable, and any amendment thereto, to be filed with the Securities Regulators in each of the Selling Jurisdictions located in Canada in respect of the qualification of the distribution of the Underlying Securities to be issued upon the exercise of the Special Warrants;

**“Qualification Date”** means the date on which a Receipt is issued by the Principal Regulator in respect of the Prospectus;

**“Receipt”** means the final decision document in respect of the Prospectus issued (or deemed to be issued) by the Principal Regulator, which is deemed to be a receipt of the securities commission or comparable regulatory authorities in each of the jurisdictions in which a final short form prospectus of the Company will be filed to qualify the distribution of the Common Shares in accordance with MI 11-102 and NP 11-202;

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**“Regulation D”** means Regulation D promulgated by the SEC under the U.S. Securities Act;

**“Regulation S”** means Regulation S promulgated by the SEC under the U.S. Securities Act;

**“SEC”** means the United States Securities and Exchange Commission;

**“Securities Laws”** means the securities laws, regulations, rules, rulings and orders and the blanket rulings and policies and written interpretations of, and multilateral or national instruments adopted by, the Securities Regulators and the policies and rules of any applicable stock exchange or quotation or stock reporting system, including the Exchange;

**“Securities Regulators”** means the securities commissions or other securities regulatory authorities of all of the Selling Jurisdictions or the relevant Selling Jurisdictions as the context requires;

**“Selling Jurisdictions”** means (a) each of the provinces and territories of Canada on a private placement basis (i) to “accredited investors” in accordance with section 2.3 of NI 45106 or (ii) in accordance with the “offering memorandum” exemption in section 2.9 of NI 45106; (b) the United States to “Accredited Investors” (as defined in Rule 501(a) of Regulation D) by way of private placement pursuant to an exemption from the registration requirements of the U.S. Securities Act; and (c) any other jurisdictions outside of Canada and the United States, to investors pursuant to applicable private placement exemptions under applicable securities laws in such jurisdictions, in each case provided that no prospectus, registration statement or similar document is required to be filed in such foreign jurisdiction;

**“Shareholder”** means a holder of record of one or more Common Shares;

**“Shares”** mean one or more Common Shares, issuable on exercise of the Special Warrants without payment of additional consideration or further action by the Special Warrantholder;

**“Special Warrant Agency”** means the principal office of the Special Warrant Agent in the City of Vancouver, British Columbia, or such other places as may be so designated in accordance with Section 2.13;

**“Special Warrant Agent”** means Odyssey Trust Company or its successors from time to time in the trust hereby created;

**“Special Warrant Certificate”** means a certificate in substantially the form set forth in Schedule “A”, issued on or after the Effective Date to evidence the Special Warrants;

**“Special Warrants”** means the special warrants created hereunder and to be issued, countersigned, and certified hereunder as a Special Warrant Certificate and /or Uncertificated Special Warrant held through the Book-Entry Only System on a no certificate issued basis, and for the time being outstanding entitling the holders thereof to acquire up to 110,000,000 Underlying Shares and 110,000,000 Underlying Warrants (subject to adjustment as herein provided) prior to the Expiry Time and, where the context so requires, also means the Special Warrants issued and Authenticated hereunder, whether by way of Special Warrant Certificate or Uncertificated Special Warrant;

**“Special Warrantholders”** or **“holders”** means the persons, as such name appears on the register of the Special Warrant Agent, who, on or after the Effective Date, are registered owners of the Special Warrants;

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**“Special Warrantholders’ Request”** means an instrument signed in one or more counterparts by Special Warrantholders holding in the aggregate not less than 50% of the Special Warrants outstanding at the relevant time, requesting that the Special Warrant Agent take some action or proceeding specified in such instrument;

**“Successor Corporation”** has the meaning set forth in Section 8.2;

**“this Special Warrant Indenture”**, **“this Indenture”**, **“herein”**, **“hereby”** and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions **“Article”**, **“Section”**, **“subsection”** and **“paragraph”** followed by a number mean and refer to the specified article, section, subsection or paragraph of this Indenture;

**“Trading Day”** means any day on which the facilities of the Exchange, or, if the Common Shares are not listed thereon, the facilities of any stock exchange on which the Common Shares are then listed, are open for trading;

**“U.S. Person”** means a **“U.S. person”** as set forth in Rule 902 of Regulation S;

**“U.S. Purchaser”** means an Accredited Investor that is (i) a U.S. Person that purchased Special Warrants, (ii) a person that purchased Special Warrants for the account or benefit of any U.S. Person or any person in the United States, (iii) a purchaser of Special Warrants that received an offer of the Special Warrants while in the United States, or (iv) a person that was in the United States at the time the purchaser’s buy order was made or the subscription agreement for Special Warrants was executed or delivered;

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended;

**“U.S. Securities Exchange Act”** means the United States Securities Exchange Act of 1934, as amended;

**“Uncertificated Special Warrant”** means any issued Special Warrant that is not evidenced by a Special Warrant Certificate;

**“Underlying Security”** means any of an Underlying Share and an Underlying Warrant;

**“Underlying Shares”** means the Common Shares comprising part of the Units;

**“Underlying Warrants”** means the Common Share purchase warrants of the Company, each whole Underlying Warrant comprising part of each Unit, and each Underlying Warrant being exercisable to acquire one Common Share at a price of \$1.50 per Common Share until the Warrant Expiry Date;

**“Unit”** means a unit of the Company, consisting of one Underlying Share and one Underlying Warrant;

**“United States”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

**“Warrant Expiry Date”** means the date that is sixty-two (62) months from the date of issue of the Underlying Warrant;

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**“Warrant Indenture”** means the warrant indenture to be entered into governing the terms of the Underlying Warrants between the Company and Odyssey Trust Company in its capacity as warrant agent; and

**“written order of the Company”, “written request of the Company”, “written consent of the Company” and “certificate of the Company”** means, respectively, a written order, request, consent or certificate signed in the name of the Company by its Chief Executive Officer or President, and may consist of one or more instruments so executed.

## **Section 1.2 Gender and Number**

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

## **Section 1.3 Headings, Etc.**

The division of this Indenture into Articles and Sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Indenture or any provision hereof.

## **Section 1.4 Day not a Business Day**

In the event that any day on or before which any action is required to be taken under this Indenture is not a Business Day, then such action will be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

## **Section 1.5 Time of the Essence**

Time will be of the essence in all respects in this Indenture.

## **Section 1.6 Currency**

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of the United States unless otherwise expressed.

## **Section 1.7 Date of Issue**

A Receipt for the Prospectus will conclusively be deemed to be issued on the date appearing on such Receipt as such Receipt’s date.

## **Section 1.8 No Strict Construction**

The language used in this Indenture is the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against either party.

## **Section 1.9 Severability**

If, in any jurisdiction, any provision of this Indenture or its application to either party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Indenture and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

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### **Section 1.10 English Language Only**

The parties to this Indenture hereby agree and request that this Indenture, and any documents related hereto, including, without limitation, the Special Warrant Certificates, be drafted only in the English language.

### **Section 1.11 Conflicts**

In the event of any conflict or inconsistency between the provisions of this Indenture and the Special Warrant Certificates, the provisions of this Indenture will govern.

## **ARTICLE 2 THE SPECIAL WARRANTS**

### **Section 2.1 Creation, Form and Issue of Special Warrants**

Up to 110,000,000 Special Warrants, entitling the holders thereof to acquire the Units on the terms and subject to the conditions herein provided, are hereby created and authorized for issuance at a price of \$1.00 per Special Warrant. Upon the issue of the Special Warrants and upon receipt of the issue price therefor, one or more Special Warrant Certificates may be executed by the Company and delivered to the Special Warrant Agent or certified by the Special Warrant Agent upon the written direction of the Company and delivered by the Special Warrant Agent to the Company or to the order of the Company pursuant to a written direction of the Company, without any further act of or formality on the part of the Company and without the Special Warrant Agent receiving any consideration therefor, or the Special Warrants may be deposited by the Special Warrant Agent directly with the Depository through the Book-Entry Only System. The Depository will issue a customer confirmation, which is to include all applicable legends, as directed by the Company, with respect to any Special Warrants deposited by the Special Warrant Agent directly with the Depository through the Book-Entry Only System.

### **Section 2.2 Form of Special Warrants**

- (1) The Special Warrants may be issued in both certificated and uncertificated form. Special Warrants issued to a U.S. Purchaser will be represented by definitive Special Warrant Certificates only. The Special Warrant Certificates (including all replacements issued in accordance with this Indenture) will be substantially in the form set out in Schedule “A” for the Special Warrants, will be dated the date of issuance of the Special Warrant Certificates in accordance with the written order of the Company, and will bear such legends and distinguishing letters and numbers as the Company may, with the approval of the Special Warrant Agent, prescribe.
  - (2) Subject to Section 2.15(10) and Section 3.6, except in certain limited circumstances, including where a Special Warrant Certificate requires the addition of a legend under applicable securities laws of the United States (including without limitation, Special Warrant Certificates representing Special Warrants issued to a U.S. Purchaser, (i) Special Warrants may be issued and registered to the Depository, and will be deposited directly with the Depository pursuant to a direct Book-Entry Only System, (ii) Special Warrant Certificates evidencing the Special Warrants may be issued to Special Warrantholders, and (iii) Beneficial Owners will receive only a customer confirmation, which is to include all applicable legends, from the applicable registered dealer who is a Participant and from or through whom a beneficial interest in the Special Warrant is held. Beneficial Holders of Special Warrants issued in uncertificated form evidenced by a security entitlement in respect of Special Warrants in the Book-Entry Only System who desires to exercise his, her or its Special Warrants must do so by causing a Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner’s intention to exercise Special Warrants in a manner acceptable to the Depository.
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- (3) The Special Warrant Certificates may be engraved, lithographed or printed (the expression “**printed**”, including for purposes hereof, mechanically, photographically, photostatically or electronically reproduced, typewritten or other written material), or partly in one form and partly in another, as the Special Warrant Agent may determine.

### **Section 2.3 Terms of Special Warrants**

- (1) Each Special Warrant created and delivered hereunder will entitle the holder thereof, upon exercise, to acquire one Unit, subject to adjustment in the events and in the manner specified in Article 4, at any time after the Effective Date until the Expiry Time at no additional cost to the holder thereof.
- (2) No fractional Special Warrants shall be issued or otherwise provided for hereunder and Special Warrants may only be exercised in a sufficient number to acquire whole numbers of Underlying Shares and Underlying Warrants.
- (3) Each Special Warrant will entitle the holder thereof to such other rights and privileges as set forth in this Indenture.

### **Section 2.4 Special Warrantholder not a Shareholder**

Nothing in this Indenture or in the holding of a Special Warrant, or Special Warrant Certificate or otherwise, will, in itself, confer or be construed as conferring upon a Special Warrantholder any right or interest whatsoever as a Shareholder or as any other shareholder of the Company, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Company, or the right to receive dividends and other distributions.

### **Section 2.5 Special Warrants to Rank Pari Passu**

All Special Warrants will rank equally and without preference over each other, whatever may be the actual date of issue thereof.

### **Section 2.6 Signing of Special Warrant Certificates**

The Special Warrant Certificates will be signed by any director or officer of the Company and need not be under seal. The signatures of such director or officer may be mechanically reproduced by way of photocopy or facsimile and Special Warrant Certificates bearing such photocopy or facsimile signatures will be binding upon the Company as if they had been manually signed by such director or officer. Notwithstanding that any person whose manual or facsimile signature appears on any Special Warrant Certificate as a director or officer may no longer hold office at the date of such Special Warrant Certificate or at the date of certification or delivery thereof, any Special Warrant Certificate signed as aforesaid will, subject to Section 2.7, be valid and binding upon the Company and the holder thereof will be entitled to the benefits of this Indenture.

### **Section 2.7 Certification by the Special Warrant Agent**

- (1) Until receipt of a written order by the Company, no Special Warrant Certificate will be issued or, if issued, will be valid for any purpose or entitle the holder thereof to the benefit of this Indenture until it has been certified by manual signature by or on behalf of the Special Warrant Agent substantially in the form set out in Schedule “A”, and such certification by the Special Warrant Agent upon any such Special Warrant Certificate will be conclusive evidence as against the Company that the said Special Warrant Certificate so certified has been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.
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- (2) No Uncertificated Special Warrant shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of Special Warrantholders the particulars of the Uncertificated Special Warrant. Such entry on the register of Special Warrantholders of the particulars of an Uncertificated Special Warrant shall be conclusive evidence that such Uncertificated Special Warrant is a valid and binding obligation of the Company and that the holder is entitled to the benefits of this Indenture. The Special Warrant Agent shall Authenticate Uncertificated Special Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures and the Company shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Special Warrants under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Special Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register of Special Warrantholders shall be final and conclusive evidence as to all matters relating to Uncertificated Special Warrants with respect to which this Indenture requires the Special Warrant Agent to maintain records or accounts. In case of differences between the register of Special Warrantholders at any time and any other time the register of Special Warrantholders at the later time shall be controlling, absent manifest error and such Uncertificated Special Warrants are binding on the Company.
- (3) The certification of the Special Warrant Agent on Special Warrant Certificates issued hereunder or the Authentication by the Special Warrant Agent of any Uncertificated Special Warrants will not be construed as a representation or warranty by the Special Warrant Agent as to the validity of this Indenture or the Special Warrant Certificates (except the due certification thereof), or as to the performance by the Company of its obligations hereunder, and the Special Warrant Agent will in no respect be liable or answerable for the use made of the Special Warrant Certificates or any of them or of the consideration therefor except as otherwise specified herein.

**Section 2.8 Issue in Substitution for Special Warrant Certificates Lost, etc.**

- (1) If any Special Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Company, subject to Applicable Legislation and Section 2.8(2), will issue, and thereupon the Special Warrant Agent will certify and deliver, a new Special Warrant Certificate of like denomination and tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Special Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Special Warrant Certificate, and the substituted Special Warrant Certificate will be in a form approved by the Special Warrant Agent and the Company and the Special Warrants evidenced thereby will be entitled to the benefits hereof and will rank equally, in accordance with their terms, with all other Special Warrants created or to be created hereunder.
  - (2) The applicant for the issue of a new Special Warrant Certificate pursuant to this Section 2.8 will bear the reasonable cost of the issue thereof and in case of loss, destruction or theft will, as a condition precedent to the issue thereof, furnish to the Company and to the Special Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Special Warrant Certificate so lost, destroyed or stolen as will be satisfactory to the Company and to the Special Warrant Agent in their sole discretion, and such applicant will also be required to furnish an indemnity and surety bond in such amount and form as the Company and the Special Warrant Agent, in their discretion, and will pay the reasonable charges of the Company and the Special Warrant Agent in connection therewith.
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### **Section 2.9 Exchange of Special Warrant Certificates**

- (1) Special Warrant Certificates representing any number of Special Warrants may, upon compliance with the requirements of the Special Warrant Agent, be exchanged for one or more other Special Warrant Certificates representing the same aggregate number of Special Warrants, and bearing the same legend, if applicable, as represented by the Special Warrant Certificate or Special Warrant Certificates tendered for exchange.
- (2) Special Warrant Certificates may be exchanged only at the Special Warrant Agency or at any other place that is designated by the Company, with the approval of the Special Warrant Agent. Any Special Warrant Certificate tendered for exchange will be surrendered to and cancelled by the Special Warrant Agent.

### **Section 2.10 Charges for Exchange or Transfer**

Except as otherwise provided in this Indenture, the Special Warrant Agent may charge to a holder requesting an exchange or transfer of a Special Warrant Certificate or Special Warrant Certificates a reasonable sum for each new certificate issued in exchange for an existing Special Warrant Certificate, and payment of such charges and reimbursement of the Special Warrant Agent or the Company for any and all stamp taxes or governmental or other charges required to be paid will be made by such holder as a condition precedent to such exchange or transfer.

### **Section 2.11 Transfer and Ownership of Special Warrants**

- (1) Subject to Section 2.15, the Special Warrants may only be transferred on the register maintained at the Special Warrant Agency by the holder or its legal representative or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Special Warrant Agent and the Company only upon surrendering to the Special Warrant Agent the Special Warrant Certificate or Special Warrant Certificates representing the Special Warrants to be transferred, and upon compliance with:
  - (a) the conditions set forth in this Indenture;
  - (b) such reasonable requirements as the Special Warrant Agent may prescribe;
  - (c) if applicable, the rules and procedures of the Depository; and
  - (d) all Applicable Legislation and applicable requirements of regulatory authorities, including the Securities Regulators,

and such transfer will be duly noted in such register by the Special Warrant Agent. Upon compliance with such requirements, unless such Special Warrants have been deposited into the Book-Entry Only System, the Special Warrant Agent will issue to the transferee one or more Special Warrant Certificates representing the Special Warrants transferred. No duty shall rest with the Special Warrant Agent to determine compliance of the transferee or transferor of any Special Warrants with applicable Securities Laws. The Special Warrant Agent may assume for the purposes of this Indenture that the address on the register of holders of any holder is the actual address of such holder and is also determinative of the residence of such holder and that the address of any transferee to whom any Special Warrants or other securities issuable upon the exercise of any Special Warrants are to be registered, as shown on the transfer document, is the actual address of the transferee and is also determinative of the residency of the transferee.

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- (2) Subject to Section 2.15, the Company and the Special Warrant Agent will deem and treat the registered owner of any Special Warrant Certificate as the Beneficial Owner thereof for all purposes and neither the Company nor the Special Warrant Agent will be affected by any notice to the contrary except where the Company or the Special Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.
- (3) Subject to the provisions of this Indenture and Applicable Legislation, the Special Warrantholders will be entitled to the rights and privileges attaching to the Special Warrants, as applicable. The issuance of Underlying Securities by the Company upon the exercise of the Special Warrants by any Special Warrantholder, in accordance with the terms and conditions herein contained, will discharge all responsibilities of the Company and the Special Warrant Agent with respect to such Special Warrants and neither the Company nor the Special Warrant Agent will be bound to enquire into the title of any such holder.
- (4) Special Warrants represented by a Special Warrant Certificate bearing the legend set forth in Section 2.14 and/or Section 2.15 hereof, may only be offered, sold, pledged or otherwise transferred (i) to the Company, (ii) outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local laws and regulations, (iii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act and is available for resale of the Special Warrants or the underlying Shares, as applicable, or (iv) in compliance with any other exemption from registration under the U.S. Securities Act, including Rule 144 thereunder, if available, and in compliance with any applicable state securities laws. In the event of a transfer pursuant to the foregoing clause (ii) or clause (iv), the Company and the Special Warrant Agent may require a legal opinion of counsel of recognized standing reasonably satisfactory to the Company and the Special Warrant Agent that such transfer is exempt from registration under the U.S. Securities Act and applicable state securities laws. Notwithstanding the foregoing, the Special Warrant Agent may impose additional requirements for the removal of legends from the Special Warrants.
- (5) Notwithstanding any other provision of this Section 2.11, in connection with any transfer of Special Warrants, the transferor and transferee shall comply with all reasonable requirements of the Special Warrant Agent as the Special Warrant Agent may deem necessary to secure the obligations of the transferee of such Special Warrants with respect to such transfer.

#### **Section 2.12 Assumption by Transferee and Release of Transferor**

Upon becoming a Special Warrantholder in accordance with the provisions of this Indenture, the transferee thereof will be deemed to have acknowledged and agreed to be bound by this Indenture. Upon the registration of such transferee as the holder of a Special Warrant, the transferor will cease to have any further rights and obligations under this Indenture with respect to such Special Warrant.

#### **Section 2.13 Registration of Special Warrants**

- (1) Subject to Section 2.15, the Special Warrant Agent will keep at the Special Warrant Agency: (a) a register of Special Warrantholders in which will be entered in alphabetical order the names and addresses of the holders of the Special Warrants and particulars of the Special Warrants held by them; and (b) a register of transfers in which all transfers of the Special Warrants and the date and other particulars of each transfer will be entered. Branch registers will also be kept at such other place or places, if any, as the Company, with the approval of the Special Warrant Agent, may designate. Such registers will be open for inspection by the Company and/or any Special Warrantholder. The Special Warrant Agent will from time to time, when requested to do so by the Company, upon payment of the Special Warrant Agent's reasonable charges, furnish a list of the names and addresses of Special Warrantholders showing the number of the Special Warrants held by each such Special Warrantholder.
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- (2) The register shall be available for inspection by the Company and or any Special Warrantholder during the Special Warrant Agent's regular business hours on a Business Day and upon payment to the Special Warrant Agent of its reasonable fees. Any Special Warrantholder exercising such right of inspection shall first provide an affidavit in form satisfactory to the Company and the Special Warrant Agent stating the name and address of the Special Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Special Warrantholders or to influence the voting of Special Warrantholders at any meeting of Special Warrantholders.
- (3) Once an Uncertificated Special Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Special Warrant Agent from the holder as provided herein, except that the Special Warrant Agent may act unilaterally to make purely administrative changes internal to the Special Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Special Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably (a) consented to the foregoing authority of the Special Warrant Agent to make such minor error corrections; and (b) agreed to pay to the Special Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Company and the Special Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Special Warrant Agent), sustained by the Company or the Special Warrant Agent as a proximate result of such error but only if and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Special Warrant Agent; provided, however, that no person who is a bona fide purchaser shall have any such obligation to the Company or to the Special Warrant Agent.

#### **Section 2.14 U.S. Securities Act and U.S. Securities Exchange Act**

- (1) The Special Warrants and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws.
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- (2) Each Special Warrant Certificate originally issued to a U.S. Purchaser, and each certificate issued in exchange therefor or in substitution thereof, shall bear the legend set forth in Section 2.14(5) and the following legends:

“THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF BY ACQUIRING THESE SECURITIES AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF AGREES FOR THE BENEFIT OF CARBON STREAMING CORPORATION (THE “CORPORATION”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE

REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO ODYSSEY TRUST COMPANY TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE SECURITIES EVIDENCED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OR U.S. STATE SECURITIES LAWS. THESE WARRANTS MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THIS SECURITY AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS SECURITY HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LEGISLATION OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. “UNITED STATES” AND “U.S. PERSON” ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.”;

provided, however, that if Special Warrants are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, and in compliance with Canadian local laws and regulations, the legend may be removed by providing the Special Warrant Agent with a duly executed declaration in substantially the form set forth as Appendix 3 to the Special Warrant Certificate attached hereto (or in such other form as the Company may prescribe from time to time) and, if required by the Company or the Special Warrant Agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the Special Warrant Agent to the effect that such U.S. legend is no longer required pursuant to the requirement of the U.S. Securities Act or state securities laws, and provided, further, that if any of the Special Warrants are being sold pursuant to Rule 144 under the U.S. Securities Act or other exemption, if available, the above legend may be removed by delivery to the Special Warrant Agent an opinion of counsel, of recognized standing in form and substance satisfactory to the Company and the Special Warrant Agent, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

The Special Warrant Agent shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the legend set forth above.

- (3) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Special Warrants, no duty or responsibility whatsoever shall rest upon the Special Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legend contained in Section 2.14(2), or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Special Warrant Agent shall be entitled to assume that all transfers are legal and proper.
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- (4) Each CDS Global Special Warrant if issued on a certificated basis originally issued in Canada and held by the Depository, and each CDS Global Special Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legends or such variations thereof as the Company may prescribe from time to time:

“UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO CARBON STREAMING CORPORATION (THE “ISSUER”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO, OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.”

- (5) Each Special Warrant Certificate and each CDS Global Special Warrant and held by the Depository on the date hereof (and each such Special Warrant Certificate or CDS Global Special Warrant, as the case may be, issued in exchange therefore or in substitution thereof prior to the date that is four months and a day after the Closing Date) shall bear or be deemed to bear the following legend or such variations thereof as the Company may prescribe from time to time:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **[the date which is four months and one day after the Closing Date will be inserted]**.”

WITHOUT PRIOR APPROVAL OF NEO EXCHANGE INC. AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF MAY NOT

BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF NEO EXCHANGE INC. OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL **[the date which is four months and one day after the Closing Date will be inserted]**.”

- (6) The Company confirms that as at the date of execution of this Indenture it does not have a class of securities registered pursuant to Section 12 of the U.S. Securities Exchange Act or have a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act. The Company covenants with the Special Warrant Agent that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Securities Exchange Act or the Company shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act, or (ii) any such registration or reporting obligation shall be terminated by the Company in accordance with the U.S. Securities Exchange Act, the Company shall promptly deliver to the Special Warrant Agent a certificate of an officer (in a form provided by the Special Warrant Agent, acting reasonably) notifying the Special Warrant Agent of such registration or termination and such other information as the Special Warrant Agent may require at the time. The Company acknowledges that the Special Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain SEC obligations with respect to those clients who are filing with the SEC.
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**Section 2.15 Book-Entry Only System and Issue of Certificates**

- (1) Subject to Section 2.15(10), unless the Book-Entry Only System is terminated or required to be so terminated by applicable law, the Special Warrants may be issued in uncertificated form and deposited in the Book-Entry Only System and shall be deemed to bear the legend set forth in Section 2.15(1)(b). In respect of any Special Warrants issued in certificated form, the Company will execute and the Special Warrant Agent will countersign and deliver Special Warrant Certificates that will:

- (a) represent the aggregate number of Special Warrants to be represented by such certificate(s); and
- (b) bear the legends substantially to the following effect:

**“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [the date which is four months and one day after the Closing Date will be inserted].**

**WITHOUT PRIOR APPROVAL OF NEO EXCHANGE INC. AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF NEO EXCHANGE INC. OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [the date which is four months and one day after the Closing Date will be inserted].”**

- (2) Subject to Section 2.15(7) and Section 3.7, unless the Book-Entry Only System is terminated or required to do so by applicable law, owners of the beneficial interests in Special Warrants deposited in the Book-Entry Only System will not receive or be entitled to receive Special Warrant Certificates in definitive form and will not be considered registered owners or holders thereof under this Indenture or any supplemental indenture except in circumstances where the Depository resigns or is removed from its responsibility and the Special Warrant Agent is unable or does not wish to locate a qualified successor. Except as otherwise provided for herein, beneficial interests in the Special Warrants will be represented only through the Book-Entry Only System. Transfers of beneficial ownership in any Special Warrant in the Book-Entry Only System between Participants will be effected only in accordance with the rules and procedures of the Depository.
- (3) All references herein to actions by, notices given or payments made to Special Warrantholders will, where Special Warrants are held through the Depository, refer to actions taken by, or notices given or payments made to, the Depository upon instruction from the Participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Special Warrantholders evidencing a specified percentage of the aggregate Special Warrants outstanding, such direction or consent may be given by holders of Special Warrants acting through the Depository and the Participants owning Special Warrants evidencing the requisite percentage of the Special Warrants.
- (4) The rights of Beneficial Owners of Special Warrants who hold securities entitlements in respect of the Special Warrants through the Book-Entry Only System shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Participants and between such Participants and the Beneficial Owners of Special Warrants who hold securities entitlements in respect of the Special Warrants through the Book-Entry Only System, and such rights must be exercised through a Participant in accordance with the rules and procedures of the Depository.
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- (5) For so long as Special Warrants are held through the Depository, if any notice or other communication is required to be given to Special Warrantholders, the Special Warrant Agent will give such notices and communications to the Depository.
  - (6) Unless the Book-Entry Only System is terminated or required to be so terminated by applicable law, and subject to Section 2.15(7) and Section 2.15(10) and Section 3.7, neither the Company nor the Special Warrant Agent will be under any obligation to deliver to any Participant or Beneficial Owner, nor will any Participant or Beneficial Owner have any right to require the delivery of, Special Warrant Certificates in definitive form or other instrument evidencing any interest in the Special Warrants and will not be considered registered owners or holders thereof under this Indenture.
  - (7) If any Special Warrant is deposited in the Book-Entry Only System and any of the following events occurs:
    - (a) the Depository or the Company has notified the Special Warrant Agent that (A) the Depository is unwilling or unable to continue or is removed from its responsibility as depository, or (B) the Depository ceases to be a clearing agency in good standing under applicable laws and, in either case, the Company is unable to locate a qualified successor depository within 90 days receipt of such notice;
    - (b) the Company has determined, in its sole discretion, with the consent of the Special Warrant Agent, to terminate the Book-Entry Only System and has communicated such determination to the Special Warrant Agent in writing;
    - (c) the Company or the Depository is required by Applicable Legislation to take the action contemplated in this Section 2.15(7);
    - (d) the Special Warrant is to be Authenticated to or for the account or benefit of a person in the United States; or
    - (e) the Book-Entry Only System administered by the Depository ceases to exist, then one or more definitive fully registered Special Warrant Certificates will be executed by the Company and countersigned and delivered by the Special Warrant Agent to the Depository,then in any such case, fully registered Special Warrant Certificates issued and exchanged pursuant to Section 2.15(7) will be registered in such names and in such denominations as the Depository will instruct the Special Warrant Agent; provided, however, that the aggregate number of Special Warrants represented by such Special Warrant Certificates will be equal to the aggregate number of Special Warrants represented by the Special Warrants deposited in the Book-Entry Only System so exchanged. The Company shall provide a certificate executed by an officer of the Company giving notice to the Special Warrant Agent of the occurrence of any event outlined in this Section 2.15(7).
  - (8) Notwithstanding anything herein or in the terms of the Special Warrant Certificates to the contrary, neither the Company nor the Special Warrant Agent nor any agent thereof will have any responsibility or liability for (i) the records maintained by the Depository relating to any ownership interests or any other interests in the Special Warrants or the depository system maintained by the Depository, or payments made by the Depository or its nominee on account of any ownership interest or any other interest of any person in any Special Warrant, (ii) for maintaining, supervising or reviewing any records of the Depository or any Participant relating to any such interest, or (iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules, procedures and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Participant. Nothing herein will prevent the owners of beneficial interests in Special Warrants from voting such Special Warrants using duly executed proxies or voting instruction forms, as applicable.
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- (9) The provisions of Section 2.11 with respect to the transfer of Special Warrants and the provisions of Section 2.13 with respect to the registration of Special Warrants are subject to the provisions of this Section 2.15.
- (10) Notwithstanding anything to the contrary contained herein, any Special Warrants issued to a U.S. Purchaser will be represented by definitive Special Warrant Certificates and fully registered in such names and denominations as the Company will instruct the Special Warrant Agent.

#### **Section 2.16 Location and Residence of Warrantholders**

A Special Warrantholder will be deemed to be, and the Company and the Special Warrant Agent may treat, for such purposes, the subscriber for the Special Warrants in question as the Special Warrantholder, and the Special Warrantholder will be deemed to be located and resident in the jurisdiction provided as the address of such subscriber as set forth in the subscription agreement for such Special Warrants or the address of the purchaser of the Special Warrants as set forth in the forms filed on issuance of the Special Warrants or such other filing required under applicable Securities Laws in respect of a transfer of the Special Warrants. If the Company and the Special Warrant Agent will not have been provided with a copy of such form or other filing required under applicable Securities Laws in respect of a transfer of beneficial ownership, then the original subscriber will be treated for all purposes hereunder to be the Beneficial Owner of the Special Warrants, as applicable.

#### **Section 2.17 Cancellation of Surrendered Special Warrants**

All Special Warrant Certificates surrendered to the Special Warrant Agent in accordance with the provisions of this Indenture will be cancelled by the Special Warrant Agent and upon such circumstances all Uncertificated Special Warrants shall be deemed cancelled and so noted on the register by the Special Warrant Agent. If requested in writing by the Company, the Special Warrant Agent will furnish to the Company a cancellation certificate identifying the Special Warrants so cancelled, the number of Special Warrants represented thereby and the number of Underlying Securities, if any, issued pursuant to the exercise of such Special Warrants.

### **ARTICLE 3 EXERCISE OF SPECIAL WARRANTS**

#### **Section 3.1 Method of Exercise of Special Warrants**

- (1) The holder of any Special Warrant Certificates may exercise the right conferred on such holder to acquire Units comprised of Underlying Securities (as evidenced by such Special Warrant Certificate) by surrendering to the Special Warrant Agent at the Special Warrant Agency, after the Closing Date and prior to the Expiry Time, the Special Warrant Certificate with a duly completed and executed exercise form attached as Appendix 1 to the Special Warrant Certificate (attached hereto as Schedule "A"). A Special Warrant Certificate with the duly completed and executed exercise form referred to in this Section 3.1(1) will be deemed to be surrendered only upon personal delivery thereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Special Warrant Agent at the Special Warrant Agency.
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- (2) Any exercise form referred to in Section 3.1(1) will be signed by the Special Warrantholder and will specify:
- (a) the number of Underlying Securities which the holder wishes to acquire (being not more than the number of Underlying Securities which the holder is entitled to acquire pursuant to the Special Warrant Certificate (s) surrendered);
  - (b) the person or persons in whose name or names the Underlying Securities to be acquired upon exercise of the Special Warrants are to be issued;
  - (c) the address or addresses of such person or persons; and
  - (d) the number of Underlying Securities to be issued to each such person if more than one person is so specified.

If any of the Underlying Securities subscribed for are to be issued to a person or persons other than the Special Warrantholder, the Special Warrantholder will pay to the Company or the Special Warrant Agent on behalf of the Company, all applicable transfer or stamp taxes or government or other similar charges and the Company will not be required to issue or deliver certificates evidencing the Underlying Securities unless or until such Special Warrantholder has paid to the Company, or the Special Warrant Agent on behalf of the Company, the amount of such tax or charge or will have established to the satisfaction of the Company that such tax or charge has been paid or that no tax is due.

- (3) A Beneficial Owner of Special Warrants issued in uncertificated form evidenced by a security entitlement in respect of Special Warrants in the Book-Entry Only System who desires to exercise his, her or its Special Warrants must do so by causing a Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to exercise Special Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, the Depository shall deliver to the Special Warrant Agent confirmation of its intention to exercise Special Warrants (a "**Confirmation**") in a manner acceptable to the Special Warrant Agent, including by electronic means through a BookEntry Only System, which Confirmation shall constitute a representation to both the Company and the Special Warrant Agent that the Beneficial Owner at the time of exercise of such Special Warrants; (a) is not in the United States; (b) is not a U.S. Person and is not exercising such Special Warrants on behalf of a U.S. Person or a person in the United States; and (c) did not execute or deliver the notice of the owner's intention to exercise such Special Warrants in the United States. If the Participant is not able to make or deliver the foregoing representations by initiating the electronic exercise of the Special Warrants, then such Special Warrants shall be withdrawn from the Book-Entry Only System by the CDS Participant and an individually registered Special Warrant Certificate shall be issued by the Special Warrant Agent to such Beneficial Owner or Participant and the exercise procedures set forth in Section 3.1(1) and Section 3.1(2) shall be followed.
- (4) By causing a Participant to deliver notice to the Depository, a Beneficial Owner shall be deemed to have irrevocably surrendered his, her or its Special Warrants so exercised and appointed such Participant to act as his, her or its exclusive settlement agent with respect to the exercise and the receipt of the Underlying Securities in connection with the obligations arising from such exercise.
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- (5) Any exercise notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Participant to exercise or to give effect to the settlement thereof in accordance with the Beneficial Owner's instructions will not give rise to any obligations or liability on the part of the Company or Special Warrant Agent to the Participant or the Beneficial Owner.
- (6) In connection with the exchange of Special Warrant Certificates and the exercise of Special Warrants and in compliance with such other terms and conditions hereof as may be required, the Company has appointed the Special Warrant Agency as the agency at which Special Warrant Certificates may be surrendered for exchange or transfer or at which Special Warrants may be exercised and the Special Warrant Agent has accepted such appointment. The Company may, with the prior approval of the Special Warrant Agent, from time to time designate alternate or additional places as the Special Warrant Agency and will give notice to the Special Warrant Agent of any change of the Special Warrant Agency.
- (7) If the exercise form set forth in the Special Warrant Certificate shall have been amended, the Company shall cause the amended exercise form to be forwarded to all Special Warrant holders.
- (8) Exercise forms and Confirmations must be delivered to the Special Warrant Agent at any time during the Special Warrant Agent's actual business hours on any Business Day prior to the Expiry Time. Any exercise forms or Confirmations received by the Special Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Special Warrant Agent on the next following Business Day.
- (9) If a Confirmation is not received by the Special Agent Warrant on a date that is earlier than the Expiry Time, then at the Expiry Time the Special Warrants will be automatically exercised for the Underlying Securities pursuant to Section 3.7 herein.

### **Section 3.2 Effect of Exercise of Special Warrants**

- (1) Upon compliance by the holder of any Special Warrant Certificate with the provisions of Section 3.1 or upon automatic exercise pursuant to Section 3.7, and subject to Section 3.3, the Underlying Securities to be issued upon the exercise of the Special Warrants will be deemed to have been issued and the person or persons to whom such Underlying Securities are to be issued will be deemed to have become the holder or holders of record of such Underlying Securities on the Exercise Date, unless the registers of the Company will be closed on such date, in which case the Underlying Securities to be issued upon the exercise of the Special Warrants will be deemed to have been issued and such person or persons deemed to have become the holder or holders of record of such Underlying Securities on the date on which such transfer registers are reopened. It is hereby understood that in order for persons to whom Underlying Securities are to be issued, to become holders of Underlying Securities on record on the Exercise Date, Beneficial Owners must commence the exercise process sufficiently in advance so that the Special Warrant Agent is in receipt of all items of exercise at least one Business Day prior to such Exercise Date.
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- (2) Subject to Section 3.7 and subject to adjustment in accordance with Article 4, within five Business Days after the Exercise Date of a Special Warrant as set forth above, the Special Warrant Agent shall use commercially reasonable efforts to cause to be mailed to the person

or persons in whose name or names the Underlying Securities have been issued upon the exercise of Special Warrants as specified in the exercise form, at the address specified in such exercise form or, if so specified in such exercise form, cause to be delivered to such person or persons at the Special Warrant Agency where the Special Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Underlying Securities (or any other appropriate evidence of the issuance of the Underlying Securities to such person or persons in respect of Underlying Securities issued under the Book-Entry Only System).

### **Section 3.3 Partial Exercise of Special Warrants; Fractions**

- (1) The holder of any Special Warrants may exercise its right to acquire Underlying Securities in part and may thereby acquire a number of Underlying Securities less than the aggregate number which the holder is entitled to acquire pursuant to the Special Warrant Certificate(s) surrendered in connection therewith; provided, however, that, in no event will fractional Underlying Securities be issued with regard to the applicable Special Warrants exercised. In the event of any acquisition of a number of Underlying Securities less than the number which the holder is entitled to acquire, the holder of the Special Warrants will, upon exercise thereof, be entitled to receive, without charge therefor, a new Special Warrant Certificate or Special Warrant Certificates or, if in uncertificated form, customer confirmation in the BookEntry Only System representing the balance of the Underlying Securities which such holder was entitled to acquire pursuant to the surrendered Special Warrant Certificate(s) and which were not then acquired.
- (2) Notwithstanding anything contained in this Indenture, including any adjustment provided for in Article 4, the Company will not be required, upon the exercise of any Special Warrants to issue fractional Underlying Securities or to issue certificates which evidence a fractional Underlying Share or Underlying Warrant. Any fractional Underlying Securities will be rounded down to the nearest whole Underlying Share or Underlying Warrant, as applicable.

### **Section 3.4 Cancellation of Surrendered Special Warrants**

All Special Warrant Certificates surrendered will be returned to the Special Warrant Agent for cancellation and, after the expiry of any period of retention prescribed by Applicable Legislation, and in accordance with the Special Warrant Agent's ordinary business practice, destroyed by the Special Warrant Agent. Upon the request of the Company, the Special Warrant Agent will furnish to the Company a destruction certificate identifying the Special Warrant Certificates so destroyed and the number of Special Warrants, evidenced thereby, the number of Underlying Securities issued pursuant to such Special Warrants and the details of any Special Warrant Certificates issued in substitution or exchange for such Special Warrant Certificates destroyed.

### **Section 3.5 Accounting and Recording**

- (1) The Special Warrant Agent will promptly account to the Company with respect to Special Warrants exercised. Any securities or other instruments from time to time received by the Special Warrant Agent, will be received in trust for, and will be segregated and kept apart by the Special Warrant Agent in trust for, the Company.
  - (2) The Special Warrant Agent will record the particulars of Special Warrants, exercised, which will include the date of exercise and the names and addresses of the persons who become holders of Underlying Securities on the exercise and Exercise Date in respect thereof. The Special Warrant Agent will provide, within five Business Days, upon written request of the Company, particulars in writing to the Company regarding the exercise of such Special Warrants.
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### **Section 3.6 Expiration of Special Warrants**

Subject to Section 3.6, immediately after the Expiry Time, all rights under any Special Warrants not exercised in accordance with the terms and conditions of this Indenture will cease and terminate and such Special Warrants will be void and of no further force or effect.

### **Section 3.7 Automatic Exercise and Surrender**

- (1) Upon receipt of the Expiry Date Notice by the Special Warrant Agent, the rights of holders of the Special Warrants to acquire Underlying Securities will be automatically exercised, effective as of the Expiry Date, without any additional payment and without any further action on the part of such holders at the Expiry Time on the Expiry Date and Underlying Securities will be deemed to be issued to the Special Warrantholders at such time. The Underlying Securities, issued upon automatic exercise, will be registered in the name of the Special Warrantholder, as it appears on the register of the Special Warrant Agent, at the time of exercise and such Underlying Securities will be issued in the same form, certificated or uncertificated, as the Special Warrants are held by such Special Warrantholder. If the Expiry Date Notice has not been received by the Special Warrant Agent on or before the date that is four (4) months and one (1) day following the Closing Date, the Expiry Date shall be deemed to be the date that is four (4) months and one (1) day following the Closing Date.
- (2) Unless, prior to the Expiry Date, the Company or the Special Warrant Agent has received from such Special Warrantholder, in the case of Special Warrants that are not deposited in the Book-Entry Only System, an exercise form (accompanied by a Special Warrant Certificate) in accordance with Section 3.1(1) and Section 3.1(2) or in the case of Special Warrants deposited in the Book-Entry Only System, a Confirmation to exercise in accordance Section 3.1(3), with which such Underlying Securities have already been issued upon voluntary exercise by such Special Warrantholder, the certificated Underlying Securities issued or delivered upon such automatic exercise will be sent by courier, registered post or first class insured mail by the Special Warrant Agent to the holder at its registered address, as listed on the register of Special Warrantholders maintained by the Special Warrant Agent. In the case of Special Warrants deposited in the Book-Entry Only System, the Company will direct the Depository to cause to be entered and issued, as the case may be, to the person or persons in whose name or names the Underlying Securities have been issued, a Book-Entry Only System customer confirmation. Delivery of Underlying Securities, whether certificated or uncertificated, will be caused to be delivered within five Business Days of the date on which the Special Warrants are deemed to be exercised.

### **Section 3.8 Securities Restrictions**

- (1) Notwithstanding anything contained in this Indenture, Special Warrants and Underlying Securities will only be issued pursuant to the transfer or exercise of any Special Warrant in compliance with Applicable Legislation of any applicable jurisdiction and, without limiting the generality of the foregoing, in respect of any Special Warrants transferred or exercised for Underlying Securities the certificates representing the issued Special Warrants and Underlying Securities, as the case may be, will bear such legends as may, in the opinion of Counsel to the Company, be necessary in order to avoid a violation of applicable Securities Laws or other Applicable Legislation of such jurisdiction or to comply with the requirements of any stock exchange on which the Underlying Securities are listed; provided, however, that if, at any time, in the opinion of Counsel to the Company, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at the holder's expense, provides the Company with evidence satisfactory in form and substance to the Company (which may include an opinion of counsel satisfactory to the Company) to the effect that such holder is entitled to sell or otherwise transfer such Special Warrants or Underlying Securities, as the case may be, in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Special Warrant Agent in exchange for a certificate which does not bear such legend.
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- (2) All certificates representing Underlying Securities issued upon the exercise of Special Warrants prior to the date that is four months and a day following the date of issuance of the Special Warrants, without the Principal Regulator having issued the Receipt, will bear the following legends:

**“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [the date which is four months and one day after the Closing Date will be inserted].**

**WITHOUT PRIOR APPROVAL OF NEO EXCHANGE INC. AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF NEO EXCHANGE INC. OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [the date which is four months and one day after the Closing Date will be inserted].”**

Certificates representing Underlying Securities issued to Special Warrantholders upon the exercise of Special Warrants after the Principal Regulator has issued the Receipt or on or after the date that is four months and a day following the date of issuance of the Special Warrants will not bear the legend in this Section 3.8(2).

- (3) If the Special Warrant Certificate representing Special Warrants exercised in accordance with this Article 3 bears the legend set forth in Section 2.14(2), then any certificate representing Underlying Securities issued upon such exercise shall bear, in addition to any legends required by this Section 3.8, the following legend:

**“THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF BY ACQUIRING THESE SECURITIES AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF AGREES FOR THE BENEFIT OF CARBON STREAMING CORPORATION (THE “CORPORATION”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO ODYSSEY TRUST COMPANY TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.**

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THE SECURITIES EVIDENCED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OR U.S. STATE SECURITIES LAWS. THESE WARRANTS MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THIS SECURITY AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS SECURITY HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LEGISLATION OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. “UNITED STATES” AND “U.S. PERSON” ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.”;

provided, however, that if Underlying Securities are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, and in compliance with Canadian local laws and regulations, the legend may be removed by providing the Company’s transfer agent or warrant agent with a duly executed declaration in substantially the form set forth as Appendix 3 to the Special Warrant Certificate attached hereto (or in such other form as the Company may prescribe from time to time) and, if required by the Company, the transfer agent or the warrant agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the transfer agent or warrant agent to the effect that such U.S. legend is no longer required pursuant to the requirement of the U.S. Securities Act or state securities laws, and provided, further, that if any of the Underlying Securities are being sold pursuant to Rule 144 under the U.S. Securities Act or other exemption, if available, the above legend may be removed by delivery to the Company’s transfer agent or warrant agent of an opinion of counsel, of recognized standing in form and substance satisfactory to the Company and the transfer agent or warrant agent, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

### **Section 3.9 Delivery of Expiry Date Notice**

The Company will deliver the Expiry Date Notice duly executed by the Company to the Special Warrant Agent no later than 4:30 p.m. (Toronto time) on the Business Day immediately before the Expiry Date. Notwithstanding the foregoing, if the Expiry Date Notice has not been received by the Special Warrant Agent on or before the date that is four (4) months and one (1) day following the Closing Date, the Expiry Date shall be deemed to be the date that is four (4) months and one (1) day following the Closing Date.

### **Section 3.10 Contractual Right of Rescission**

- (1) The Company covenants with the Special Warrant Agent to provide a right of rescission to each Special Warrantholder as hereinafter set forth, which right shall be exercisable by a Special Warrantholder directly or by any permitted assignee or transferee of an original Special Warrantholder.
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- (2) The Company hereby agrees that in the event that a holder of Special Warrants who acquires Underlying Shares and Underlying Warrants pursuant to the exercise or automatic exercise of Special Warrants is or becomes entitled under applicable securities laws to the remedy of rescission by reason of the Prospectus or any amendments thereto containing a misrepresentation, such holder shall, subject to available defenses and any limitation period under applicable securities laws, be entitled to rescission not only of the holder's exercise or automatic exercise of its Special Warrants but also of the private placement transaction pursuant to which the Special Warrants were initially acquired, and shall be entitled in connection with such rescission to a full refund of the aggregate purchase price paid on the acquisition of the Special Warrants. In the event such holder is a permitted assignee of the interest of the original holder of the Special Warrants, such permitted assignee shall be permitted to exercise the rights of rescission and refund granted hereunder to which the original holder is or becomes entitled under applicable securities laws as if such permitted assignee was such original holder. Should a holder of Special Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, the Special Warrant Agent shall not be responsible for ensuring the exercise is cancelled and a refund it paid back to the holder. The holder (or its permitted assignee) shall seek a refund directly from the Company and subsequently, the Company, upon surrender to the Company or the transfer agent for the Company of any Underlying Shares and Underlying Warrants, as applicable, that may have been issued, or such other procedure as agreed to by the parties hereto, shall instruct the Special Warrant Agent in writing, to cancel the exercise transaction and to cause the cancellation of any such Underlying Shares and Underlying Warrants, as applicable, on the appropriate registers, which may have already been issued upon the Special Warrant exercise and the Special Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce the return of funds pursuant to this section, nor shall the Special Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section, and the Special Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds. The provisions of this section are a direct contractual right extended by the Company to the holders of Special Warrants and permitted assignees of such holders and are in addition to any other right or remedy available to a holder of a purchased security under applicable securities laws. The foregoing rights of action for rescission shall be subject to the defenses described under section 130 of the *Securities Act* (Ontario) which is incorporated herein by reference and any other defense or defenses available to the Company under applicable law.

#### ARTICLE 4 ADJUSTMENT OF NUMBER OF UNDERLYING SECURITIES

##### Section 4.1 Adjustment of Number of Underlying Securities

The rights to acquire Underlying Securities in effect at any date attaching to the Special Warrants are subject to adjustment from time to time as follows:

- (a) if and whenever at any time from the Effective Date and prior to the Expiry Time (the “**Adjustment Period**”), the Company:
    - (i) subdivides, re-divides or changes its outstanding Common Shares into a greater number of shares;
    - (ii) consolidates, reduces or combines its outstanding Common Shares into a smaller number of shares; or
    - (iii) issues Common Shares or securities exchangeable or exercisable for or convertible to Common Shares (“**convertible securities**”) to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (other than the issue of Common Shares or convertible securities to such holders as Dividends paid in the Ordinary Course); (any of the above being a “**Common Share Reorganization**”), the number of Underlying Securities issuable upon the exercise of each Special Warrant is adjusted immediately after the effective date of the Common Share Reorganization or on the record date for the issue of such Common Shares or exchangeable, exercisable or convertible securities by way of stock dividend, by multiplying the number of Underlying Shares previously obtainable on the exercise of a Special Warrant by the fraction of which:
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- (A) the numerator is the total number of Common Shares outstanding immediately after the effective or record date of the Common Share Reorganization, or, in the case of the issuance of exchangeable, exercisable or convertible securities, the total number of Common Shares outstanding immediately after the effective or record date of the Common Share Reorganization plus the total number of Common Shares issuable upon conversion, exercise or exchange of such convertible securities; and
- (B) the denominator is the total number of Common Shares outstanding immediately prior to the applicable effective or record date of such Common Share Reorganization,

and the Company and Special Warrant Agent, upon receipt of notice pursuant to Section 4.3, shall make such adjustment successively whenever any event referred to in this Section 4.1(a) occurs and any such issue of Common Shares or exercisable, exchangeable or convertible securities by way of a stock dividend is deemed to have occurred on the record date for the stock dividend for the purpose of calculating the number of outstanding Common Shares under this Section 4.1(a). To the extent that any exercisable, exchangeable or convertible securities are not converted into or exercised or exchanged for Common Shares, prior to the expiration thereof, the number of Underlying Shares obtainable under each Special Warrant shall be readjusted to the number of Underlying Shares that is then obtainable based upon the number of Common Shares actually issued on conversion or exchange of such convertible securities;

- (b) if and whenever during the Adjustment Period the Company fixes a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (“**Rights Period**”), to subscribe for or acquire Common Shares at a price per share to the holder of less than 85% of the Current Market Price for the Common Shares on such record date (any of such events being called a “**Rights Offering**”), then the number of Underlying Shares obtainable upon the exercise of each Special Warrant is adjusted effective immediately after the end of the Rights Period to a number determined by multiplying the number of Underlying Shares obtainable upon the exercise thereof immediately prior to the end of the Rights Period by a fraction:
    - (i) the numerator of which is the number of Common Shares outstanding after giving effect to the Rights Offering and including the number of Common Shares actually issued or subscribed for during the Rights Period upon exercise of the rights, warrants or options under the Rights Offering; and
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- (ii) the denominator of which is the aggregate of:
    - (A) the number of Common Shares outstanding as of the record date for the Rights Offering, and
    - (B) a number determined by dividing (1) the product of the number of Common Shares issued or subscribed during the Rights Period upon the exercise of the rights, warrants, or options under the Rights Offering and the price at which such Common Shares are offered by (2) the Current Market Price of the Common Shares as of the record date for the Rights Offering;
  - (c) if and whenever during the Adjustment Period the Company issues or distributes to all or to substantially all of the holders of the Common Shares:
    - (i) securities of the Company including rights, options or warrants to acquire shares of any class or securities exchangeable for or convertible into or exchangeable into any such shares or property or assets and including evidence of its indebtedness; or
    - (ii) any property (including cash), evidence of indebtedness or other assets,and if such issuance or distribution does not constitute Dividends paid in the Ordinary Course, a Common Share Reorganization or a Rights Offering (any of such nonexcluded events being herein called a “**Special Distribution**”), the number of Underlying Shares obtainable upon the exercise of each Special Warrant is adjusted effective immediately after the record date at which the holders of affected Common Shares are determined for purposes of the Special Distribution to a number determined by multiplying the number of Underlying Shares obtainable upon the exercise thereof in effect on such record date by a fraction:
    - (iii) the numerator of which is the number of Common Shares outstanding on such record date multiplied by the Current Market Price of the Common Shares on such record date; and
    - (iv) the denominator of which is:
      - (A) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, less
      - (B) the fair market value on such record date, as determined by action of the directors (whose determination shall be conclusive, subject to Exchange acceptance), to the holders of the Common Shares of such securities or property, indebtedness or other assets so issued or distributed in the Special Distribution;
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- (d) if and whenever during the Adjustment Period there is a reclassification of the Common Shares or a change in or exchange of the Common Shares into other shares or securities, or a capital reorganization of the Company other than as described in Section 4.1(b) or the triggering of a shareholders' rights plan or a consolidation, amalgamation, arrangement or merger of the Company with or into any other body corporate, trust, partnership or other entity, or a transfer, sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any of such events being referred to as a "**Capital Reorganization**", every Special Warrantholder who has not exercised its right of acquisition, as at the effective date of such Capital Reorganization is entitled to receive upon exercise in accordance with the terms and conditions hereof and shall accept, in lieu of the number of Underlying Securities obtainable under the Special Warrants to which it was previously entitled, the kind and number of shares or other securities or property of the Company that the Special Warrantholder would have been entitled to receive on such Capital Reorganization, if, on the record date or the effective date thereof, as the case may be, the Special Warrantholder had been the registered holder of the number of Underlying Securities obtainable upon the exercise of Special Warrants then held, subject to adjustment thereafter in accordance with provisions of the same, as nearly as may be possible, as those contained in this Section 4.1. The Company shall not carry into effect any action requiring an adjustment pursuant to this Section 4.1(d) unless all necessary steps have been taken so that the Special Warrantholders are thereafter entitled to receive such kind and number of shares, other securities or property. The Company will not enter into a Capital Reorganization unless its successor, or the purchasing body corporate, partnership, trust or other entity, as the case may be, prior to or contemporaneously with any such Capital Reorganization, enters into an indenture which provides, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Special Warrantholders to the end that the provisions set forth in this Indenture are correspondingly made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Special Warrantholder is entitled on the exercise of his acquisition rights thereafter. An indenture entered into by the Company pursuant to the provisions of this Section 4.1(d) is deemed a supplemental indenture entered into pursuant to the provisions of Article 8. An indenture entered into between the Company, any successor to the Company or any purchasing body corporate, partnership, trust or other entity and the Special Warrant Agent must provide for adjustments which are as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which apply to successive Capital Reorganizations;
- (e) where this Section 4.1 requires that an adjustment becomes effective immediately after a record date or effective date, as the case may be, for an event referred to herein, the Company may defer, until the occurrence of that event, issuing to the Special Warrantholder exercising his acquisition rights after the record date or effective date, as the case may be and before the occurrence of that event the adjusted number of Underlying Securities, other securities or property issuable upon the exercise of the Special Warrants by reason of the adjustment required by that event. If the Company relies on this Section 4.1(e) to defer issuing an adjusted number of Underlying Securities, other securities or property to a Special Warrantholder, the Special Warrantholder has the right to receive any distributions made on the adjusted number of Underlying Securities, other securities or property declared in favour of holders of record on and after the date of exercise or such later date as the Special Warrantholder would but for the provisions of this Section 4.1(e), have become the holder of record of the adjusted number of Underlying Securities, other securities or property;
- (f) the adjustments provided for in this Section 4.1 are cumulative. After any adjustment pursuant to this Section 4.1, the term "**Underlying Securities**" where used in this Indenture is interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Special Warrantholder is entitled to receive upon the exercise of his, her or its Special Warrant, and the number of Underlying Securities obtainable in any exercise made pursuant to a Special Warrant is interpreted to mean the number of Underlying Securities or other property or securities a Special Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Special Warrant;
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- (g) notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Special Warrants if the issue of Common Shares is being made pursuant to any stock option or stock purchase plan in force from time to time for directors, officers or employees of the Company;
- (h) in the event of a question arising with respect to the adjustments provided for in this Section 4.1, that question shall be conclusively determined by the Company's auditors or if they are unwilling or unable to act, such independent nationally recognized chartered accountants as may be selected by the directors of the Company, acting reasonably and in good faith, who shall have access to all necessary records of the Company, and a determination by the Company's auditors is binding upon the Company, the Special Warrant Agent, all Special Warrantholders and all other persons interested therein; and
- (i) subject to Exchange acceptance, no adjustment in the number of Underlying Securities obtainable upon exercise of Special Warrants shall be made in respect of any event described in this Section 4.1, other than the events referred in clauses 4.1(b)(i) and 4.1(b)(ii), if the Special Warrantholders are entitled to participate in such event on the same terms, mutatis mutandis, as if the Special Warrantholders had exercised their Special Warrants prior to or on the effective date or record date of such event.

#### **Section 4.2 Proceedings Prior to any Action Requiring Adjustment**

As a condition precedent to the taking of any action which requires an adjustment in any of the acquisition rights pursuant to the Special Warrants, including the number of Underlying Securities obtainable upon the exercise thereof, the Company shall take any corporate action which may, in the opinion of Counsel, be necessary in order that the Company or any successor to the Company has unissued and reserved Common Shares in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Underlying Securities and may validly and legally deliver all other securities or property which the Special Warrantholders are entitled to receive on the full exercise of the Special Warrants in accordance with the provisions hereof.

#### **Section 4.3 Certificate of Adjustment**

The Company shall from time to time immediately after the occurrence of any event which requires an adjustment as provided in Section 4.1, deliver a certificate of the Company to the Special Warrantholders and the Special Warrant Agent specifying the nature of the event requiring the adjustment, the amount of the adjustment necessitated thereby, and setting forth in reasonable detail the method of calculation and the facts upon which the calculation is based. The Special Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Company or of the Company's auditor and any other document filed by the Company pursuant to this Article 4 for all purposes.

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#### **Section 4.4 No Action After Notice**

The Company covenants with the Special Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the holder of a Special Warrant of the opportunity of exercising the Special Warrants during the period of 14 days after giving of the notice set forth in Section 4.6 hereof.

#### **Section 4.5 Protection of Special Warrant Agent**

The Special Warrant Agent:

- (a) is not at any time under any duty or responsibility to a Special Warrantholder to determine whether any facts exist which require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- (b) is not accountable with respect to the validity or value (or the kind or amount) of any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Special Warrant;
- (c) is not responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver the Underlying Securities or certificates for the same upon the surrender of any Special Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article 4;
- (d) will be entitled to act and rely on any adjustment calculation of the Company or the Company's auditors; and
- (e) shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequence of any breach on the part of the Company of any of the representations, warrants or covenants herein contained or of any acts of agents or servants of the Company.

#### **Section 4.6 Notice of Special Matters**

The Company covenants with the Special Warrant Agent that so long as any Special Warrants remain outstanding it will give 14 days' prior written notice in the manner provided for in Section 10.1 and Section 10.2, as applicable, to the Special Warrant Agent, of any event which requires an adjustment to the subscription rights attaching to any of the Special Warrants pursuant to this Article 4. The Company covenants and agrees that such notice shall contain the particulars of such event in reasonable detail and, if determinable, the required adjustment in the manner provided for in Article 4. The Company further covenants and agrees that it shall promptly, as soon as the adjustment calculations are reasonably determinable, file a certificate of the Company with the Special Warrant Agent showing how such adjustment shall be computed.

#### **Section 4.7 Underlying Warrants and Warrant Shares Treated Separately**

Other than an adjustment to the Underlying Warrants issuable upon exercise of the Special Warrants pursuant to Section 4.1 (d), the parties hereto agree the rights of the Special Warrantholders to acquire Underlying Warrants (including the exercise price thereof) and/or Common Shares underlying the Underlying Warrants in effect at any date attaching to the Special Warrants shall be subject to adjustment from time to time in accordance with the provisions of the Warrant Indenture governing the Underlying Warrants.

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**ARTICLE 5**  
**RIGHTS AND COVENANTS OF THE COMPANY**

**Section 5.1 Optional Purchases by the Company**

Subject to compliance with applicable Securities Laws and the receipt of any necessary approvals of applicable regulatory authorities, the Company may from time to time purchase, by private contract or otherwise, any of the Special Warrants. Any such purchase will be made at the lowest price or prices at which, in the opinion of the directors of the Company, such Special Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Company, in its sole discretion, may determine. Any Special Warrant Certificates representing the Special Warrants purchased pursuant to this Section 5.1 will forthwith be delivered to and cancelled by the Special Warrant Agent. In the case of Uncertificated Special Warrants, the Special Warrants purchased pursuant to this Section 5.1 shall be reflected accordingly on the register of the Special Warrants and in accordance with procedures prescribed by the Depository under the Book-Entry Only System. No Special Warrants will be issued in replacement thereof.

**Section 5.2 General Covenants**

The Company covenants with the Special Warrant Agent that, so long as any Special Warrants remain outstanding:

- (a) it is duly authorized to create and issue the Special Warrants and, when issued and countersigned as herein provided, or when issued in uncertificated form as herein provided, the Special Warrants will be valid and enforceable obligations of the Company;
  - (b) it will reserve and keep available a sufficient number of Underlying Securities for the purpose of enabling it to satisfy its obligations to issue the Underlying Securities upon the exercise of the Special Warrants;
  - (c) it will cause the Underlying Securities and the certificates representing the Underlying Securities from time to time acquired pursuant to the exercise of the Special Warrants to be duly issued and delivered in accordance with the Special Warrant Certificates and the terms hereof;
  - (d) all Underlying Securities which will be issued upon exercise of the Special Warrants will be fully paid and non-assessable, free and clear of all encumbrances, except for re-sale restrictions as may be required under applicable Securities Laws;
  - (e) it will use its commercially reasonable efforts to maintain its corporate existence or the corporate existence of any Successor Corporation and carry on its business in the ordinary course, consistent with past practices;
  - (f) it will use its commercially reasonable efforts to ensure that the Underlying Shares are listed and posted for trading on the Exchange (or such other stock exchange on which the Common Shares are listed and posted for trading), provided that this clause shall not be construed as limiting or restricting the Company from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the Exchange, so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the Exchange;
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- (g) it will make all requisite filings under applicable Securities Laws including those necessary to remain a reporting issuer not in default in such jurisdictions in which it is presently or in which it becomes a reporting issuer and those filings required in connection with the issuance of the Special Warrants;
- (h) it will use its commercially reasonable efforts to obtain a Receipt for the Prospectus, failing which the Company shall use its commercially reasonable efforts to obtain a Receipt for the Prospectus as expeditiously as possible;
- (i) in the event the Receipt is obtained, it will give written notice to the Special Warrant Agent of the issuance of the Receipt and specifying the date on which the Special Warrants expire and the date of automatic exercise, not later than one Business Day after the issuance of such Receipt; and the Company will provide written confirmation to the Special Warrant Agent, of any adjustment that has been made pursuant to Article 4 in the aforementioned notice;
- (j) it will not pay or give any consideration or other remuneration to any person in respect of the exercise of the Special Warrants except for administrative or professional services or for services performed by a registered dealer;
- (k) if any instrument is required to be filed with or any permission, order or ruling is required to be obtained from the Securities Regulators or any other step is required under any federal or provincial law of the Designated Provinces before any securities or property which a Special Warrantholder is entitled to receive pursuant to the exercise or deemed exercise of a Special Warrant may properly and legally be delivered upon the due exercise or deemed exercise of a Special Warrant, the Company shall use its commercially reasonable efforts to make such filing, obtain such permission, order or ruling and take all such action, at its expense, as is required or appropriate in the circumstances;
- (l) it will comply with all covenants and satisfy all terms and conditions on its part to be performed and satisfied under this Indenture and advise the Special Warrant Agent promptly in writing of any default under the terms of this Indenture; and
- (m) generally, it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Indenture.

### **Section 5.3 Special Warrant Agent's Remuneration and Expenses**

The Company covenants that it will pay to the Special Warrant Agent (in advance as may be required from time to time) reasonable remuneration for its services hereunder and will pay or reimburse the Special Warrant Agent upon its request, for all reasonable expenses, disbursements and advances incurred or made by the Special Warrant Agent in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its counsel and all other advisors and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Special Warrant Agent hereunder will be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Special Warrant Agent's gross negligence, wilful misconduct or fraud. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Special Warrant Agent against unpaid invoices and shall be payable upon demand. This Section 5.3 shall survive the resignation or removal of the Special Warrant Agent and/or the termination of this Indenture.

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#### **Section 5.4 Securities Qualification Requirements**

- (1) If, in the opinion of Counsel to the Company, any instrument is required to be filed with, or any permission is required to be obtained from, any governmental authority in Canada or any other step is required under any federal law of Canada or provincial law before any Underlying Securities which a Special Warrantholder is entitled to acquire pursuant to the exercise of any Special Warrant may properly and legally be issued upon due exercise thereof and thereafter traded without further formality or restriction, the Company covenants that it will use its commercial best efforts to take such required action.
- (2) The Company will give notice of the issue of Underlying Securities pursuant to the exercise of Special Warrants if required by applicable Securities Laws, and in such detail as may be required, to each securities commission or similar regulatory authority in each jurisdiction in Canada in which there is legislation or regulation permitting or requiring the giving of any such notice in order that such issue of Underlying Securities and the subsequent disposition of the Underlying Securities, so issued will not be subject to the prospectus qualification requirements of such legislation or regulation.

#### **Section 5.5 Performance of Covenants by Special Warrant Agent**

If the Company fails to perform any of its covenants contained in this Indenture, the Special Warrant Agent may notify the Special Warrantholders of such failure on the part of the Company or may itself perform any of the covenants capable of being performed by it but will be under no obligation to perform such covenants or to notify the Special Warrantholders of such performance by it. All sums expended or advanced by the Special Warrant Agent in so doing will be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Special Warrant Agent will relieve the Company of any default hereunder or of its continuing obligations under the covenants contained in this Indenture.

### **ARTICLE 6 ENFORCEMENT**

#### **Section 6.1 Suits by Special Warrantholders**

All or any of the rights conferred upon any Special Warrantholder by any of the terms of the Special Warrant Certificates or of this Indenture, or of both, may be enforced by the Special Warrantholder by appropriate proceedings, but without prejudice to the right which is hereby conferred upon the Special Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Special Warrantholders.

#### **Section 6.2 Immunity of Shareholders, etc.**

The obligations hereunder are not personally binding upon, nor will resort hereunder be had to, the private property of any of the past, present or future directors or shareholders of the Company or any Successor Corporation or any of the past, present or future officers, employees or agents of the Company or any Successor Corporation, but only the property of the Company or any Successor Corporation will be bound in respect hereof.

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### **Section 6.3 Waiver of Default**

Upon the happening of any default hereunder:

- (a) the Special Warrantholders may, by extraordinary resolution as provided in Section 7.10, by notice or requisition in writing, instruct the Special Warrant Agent to waive any default hereunder and the Special Warrant Agent will upon receipt of any such notice waive the default upon such terms and conditions as will be prescribed in such notice or requisition; or
- (b) the Special Warrant Agent will have power to waive any default hereunder upon such terms and conditions as the Special Warrant Agent may deem advisable, if, in the Special Warrant Agent's opinion, relying on the advice of Counsel, the same will have been cured or adequate provision made therefor;

provided, however, that no delay or omission of the Special Warrant Agent or of the Special Warrantholders to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Special Warrant Agent or of the Special Warrantholders in the premises will extend to or be taken in any manner whatsoever to affect any subsequent default hereunder or the rights resulting therefrom.

## **ARTICLE 7 MEETINGS OF SPECIAL WARRANTHOLDERS**

### **Section 7.1 Right to Convene Meetings**

The Special Warrant Agent may at any time, from time to time, and will on receipt of a written request of the Company or of a Special Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Company or by the Special Warrantholders who signed such Special Warrantholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, call and convene a meeting of the Special Warrantholders. In the event of the Special Warrant Agent failing to so call a meeting within seven days after receipt of such written request of the Company or within thirty days after receipt of such Special Warrantholders' Request and indemnity and funding given as aforesaid, the Company or any of the Special Warrantholders who signed such Special Warrantholders' Request, as the case may be, may call and convene such meeting. Every such meeting will be held in the City of Toronto, Ontario or at such other place as may be approved or determined by the Special Warrant Agent and the Company. Any meeting held pursuant to this Article 7 may be done through a virtual or electronic meeting platform, subject to the Special Warrant Agent's capabilities at the time.

### **Section 7.2**

At least 21 days' prior notice of any meeting of Special Warrantholders will be given to the Special Warrantholders in the manner provided for in Section 10.2 and a copy of such notice will be sent by mail to the Special Warrant Agent (unless the meeting has been called by the Special Warrant Agent) and to the Company (unless the meeting has been called by the Company). Such notice will state the time when and the place where the meeting is to be held, will state briefly the general nature of the business to be transacted thereat and will contain such information as is reasonably necessary to enable the Special Warrantholders to make a reasoned decision on the matter or matters to be brought before the meeting, but it will not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 7.

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### **Section 7.3 Chairman**

An individual (who need not be a Special Warrantholder) designated in writing by the Special Warrant Agent will be chairman of any meeting of Special Warrantholders and if no individual is so designated, or if the individual so designated is not present within 15 minutes after the time fixed for the holding of the meeting, the Special Warrantholders present in person or by proxy will choose some individual present to be chairman.

### **Section 7.4 Quorum**

Subject to the provisions of Section 7.11, at any meeting of the Special Warrantholders a quorum will consist of Special Warrantholders present in person or by proxy and holding at least 25% of the aggregate number of the then outstanding Special Warrants provided that at least two persons entitled to vote thereat are personally present. If a quorum of the Special Warrantholders will not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Special Warrantholders or on a Special Warrantholders' Request, will be dissolved; but in any other case the meeting will be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it will be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business will be transacted at any meeting of Special Warrantholders unless a quorum is present at the commencement of the meeting. At the adjourned meeting the Special Warrantholders present in person or by proxy will form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not hold at least 25% of the aggregate number of the then outstanding Special Warrants.

### **Section 7.5 Power to Adjourn**

The chairman of any meeting of Special Warrantholders at which a quorum of the Special Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

### **Section 7.6 Show of Hands**

Every question submitted to a meeting of Special Warrantholders will be decided in the first place by a majority of the votes given on a show of hands except that votes on an extraordinary resolution will be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority will be conclusive evidence of the fact.

### **Section 7.7 Poll and Voting**

- (1) On every extraordinary resolution, and on any other question submitted to a meeting of Special Warrantholders and after a vote by show of hands when demanded by the chairman or by one or more of the Special Warrantholders acting in person or by proxy and holding at least 5% of the aggregate number of Special Warrants then outstanding, a poll will be taken in such manner as the chairman will direct. Questions other than those required to be determined by extraordinary resolution will be decided by a majority of the votes cast on the poll, whereby each Special Warrantholder will be entitled to one vote in respect of each whole Special Warrant then held or represented by it.
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- (2) On a show of hands, every person who is present and entitled to vote, whether as a Registered Warrantholder or as proxy for one or more absent Registered Warrantholders, or both, shall have one vote. On a poll, each Registered Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held or represented by it. A proxy need not be a Registered Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

#### **Section 7.8 Regulations**

The Special Warrant Agent, or the Company with the approval of the Special Warrant Agent, may from time to time make and from time to time vary such regulations as it thinks fit for the setting of the record date for a meeting of Special Warrantholders for the purpose of determining Special Warrantholders entitled to receive notice of and to vote at the meeting, the form of the instrument of proxy, and generally for calling meetings of Special Warrant holders and the conduct of business thereat.

Any regulations so made will be binding and effective and the votes given in accordance therewith will be valid and will be counted. Except as such regulations may provide, the only persons who will be recognized at any meeting as a Special Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), will be Special Warrantholders or their counsel, or proxyholders of Special Warrantholders.

#### **Section 7.9 Company and Special Warrant Agent May be Represented**

The Company and the Special Warrant Agent, by their respective directors, officers, agents and employees, and the Counsel for the Company and for the Special Warrant Agent may attend any meeting of the Special Warrantholders, but will have no vote as such, unless in their capacity as a Special Warrantholder or as a proxy for a Special Warrantholder.

#### **Section 7.10 Powers Exercisable by Extraordinary Resolution**

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Special Warrantholders at the meeting will, subject to the provisions of Section 7.11, have the power, exercisable from time to time by extraordinary resolution (as defined in Section 7.11):

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Special Warrantholders or the Special Warrant Agent in its capacity as trustee hereunder or on behalf of the Special Warrantholders against the Company whether such rights arise under this Indenture or the Special Warrant Certificates or otherwise;
  - (b) to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Special Warrantholders;
  - (c) to direct or to authorize the Special Warrant Agent, subject to Section 9.2(2) hereof, to enforce any of the covenants on the part of the Company contained in this Indenture or the Special Warrant Certificates or to enforce any of the rights of the Special Warrantholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;
  - (d) to waive, and to direct the Special Warrant Agent to waive, any default on the part of the Company in complying with any provisions of this Indenture or the Special Warrant Certificates either unconditionally or upon any conditions specified in such extraordinary resolution;
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- (e) to restrain any Special Warrantholder from taking or instituting any suit, action or proceeding against the Company for the enforcement of any of the covenants on the part of the Company contained in this Indenture or the Special Warrant Certificates or to enforce any of the rights of the Special Warrantholders;
- (f) to direct any Special Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Special Warrantholder in connection therewith;
- (g) to assent to any change in or omission from the provisions contained in the Special Warrant Certificates or this Indenture or any ancillary or supplemental instrument which may be agreed to by the Company, and to authorize the Special Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
- (h) with the consent of the Company, such consent not to be unreasonably withheld, to remove the Special Warrant Agent or its successors in office and to appoint a new trustee or trustees to take the place of the Special Warrant Agent so removed; and
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Company.

#### **Section 7.11 Meaning of Extraordinary Resolution**

- (1) The expression “**extraordinary resolution**” when used in this Indenture means, subject to as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution proposed at a meeting of Special Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7, at which there are present in person or by proxy Special Warrantholders holding at least 25% of the aggregate number of the then outstanding Special Warrants and passed by the affirmative votes of Special Warrantholders holding not less than 66.67% of the aggregate number of the then outstanding Special Warrants represented at the meeting and voted on the poll upon such resolution.
  - (2) If, at the meeting of Special Warrantholders at which an extraordinary resolution is to be considered, Special Warrantholders holding at least 25% of the aggregate number of the then outstanding Special Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Special Warrantholders or on a Special Warrantholders’ Request, will be dissolved, but in any other case it will stand adjourned to such day, being not less than 15 or more than 50 days later, and to such place and time as may be determined by the chairman. Not less than 10 days’ prior notice will be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice will state that at the adjourned meeting the Special Warrantholders present in person or by proxy will form a quorum but it will not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Special Warrantholders present in person or by proxy will form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.11(1) will be an “extraordinary resolution” within the meaning of this Indenture notwithstanding that Special Warrantholders holding at least 25% of the aggregate number of the then outstanding Special Warrants are not present in person or by proxy at such adjourned meeting.
  - (3) Votes on an extraordinary resolution will always be given on a poll and no demand for a poll on an extraordinary resolution will be necessary.
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### **Section 7.12 Powers Cumulative**

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Special Warrantholders by extraordinary resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time will not be deemed to exhaust the right of the Special Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

### **Section 7.13 Minutes**

Minutes of all resolutions and proceedings at every meeting of Special Warrantholders will be made and duly entered in the books and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings taken, will be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes will have been made will be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken will be deemed to have been duly passed and taken.

### **Section 7.14 Instruments in Writing**

All actions which may be taken and all powers that may be exercised by the Special Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised by Special Warrantholders holding at least 66.67% of the aggregate number of the then outstanding Special Warrants by an instrument in writing signed in one or more counterparts by such Special Warrantholders in person or by attorney duly appointed in writing, and the expression “**extraordinary resolution**” when used in this Indenture will include an instrument so signed.

### **Section 7.15 Binding Effect of Resolutions**

Every resolution and every extraordinary resolution passed in accordance with the provisions of this Article 7 at a meeting of Special Warrantholders will be binding upon all of the Special Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Special Warrantholders in accordance with Section 7.14 will be binding upon all of the Special Warrantholders, whether signatories thereto or not, and each and every Special Warrantholder and the Special Warrant Agent (subject to the provisions for indemnity herein contained) will be bound to give effect accordingly to every such resolution and instrument in writing.

### **Section 7.16 Holdings by Company or Subsidiaries**

In determining whether Special Warrantholders holding the required number of Special Warrants are present at a meeting of Special Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, extraordinary resolution, Special Warrantholders' Request or other action under this Indenture, Special Warrants owned legally or beneficially by the Company will be disregarded in accordance with the provisions of Section 10.9.

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**ARTICLE 8**  
**SUPPLEMENTAL INDENTURES**

**Section 8.1 Provision for Supplemental Indentures for Certain Purposes**

From time to time, the Company (when authorized by action of the directors) and the Special Warrant Agent, may, subject to the provisions hereof, and they will, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter will form part hereof, for any one or more or all of the following purposes:

- (a) setting forth any adjustments resulting from the application of the provisions of Article 4;
- (b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel of the Company, are necessary or advisable in the circumstances, provided that the same are not in the opinion of the Special Warrant Agent (relying upon the advice of Counsel) prejudicial to the interests of the Special Warrantholders;
- (c) giving effect to any extraordinary resolution passed as provided in Article 7;
- (d) adding to, deleting or altering the provisions hereof in respect of the transfer of the Special Warrants, making provision for the exchange of Special Warrant Certificates, and making any modification in the form of the Special Warrant Certificates which does not affect the substance thereof;
- (e) modifying any of the provisions of this Indenture, including relieving the Company from any of the obligations, conditions or restrictions herein contained; provided, however, that such modification or relief will be or become operative or effective only if, in the opinion of the Special Warrant Agent (relying upon the advice of Counsel), such modification or relief in no way prejudices any of the rights of the Special Warrantholders or of the Special Warrant Agent, and provided further that the Special Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Special Warrant Agent when the same will become operative;
- (f) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, provided that such provisions are not, in the opinion of the Special Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Special Warrantholders; and
- (g) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Special Warrant Agent, relying on the advice of Counsel, the rights of the Special Warrant Agent and of the Special Warrantholders are in no way prejudiced thereby.

**Section 8.2 Successor Corporations**

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to or with another corporation (“**Successor Corporation**”), the Successor Corporation resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Company) will expressly assume, by supplemental indenture in a form satisfactory to the Special Warrant Agent, acting reasonably, and executed and delivered to the Special Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Company.

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**ARTICLE 9  
CONCERNING THE SPECIAL WARRANT AGENT**

**Section 9.1 Legislation**

- (1) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement will prevail.
- (2) The Company and the Special Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

**Section 9.2 Rights and Duties of Special Warrant Agent**

- (1) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Special Warrant Agent will exercise that degree of care, diligence and skill that a reasonably prudent special warrant agent would exercise in comparable circumstances. No provision of this Indenture will be construed to relieve the Special Warrant Agent from liability for its own gross negligence, or its own wilful misconduct, fraud or bad faith.
  - (2) The obligation of the Special Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Special Warrant Agent or the Special Warrantholders hereunder will be conditional upon the Special Warrantholders furnishing, when required by a notice of the Special Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Special Warrant Agent to protect and to hold harmless the Special Warrant Agent and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
  - (3) None of the provisions contained in this Indenture will require the Special Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.
  - (4) The Special Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Special Warrantholders, at whose instance it is acting, to deposit with the Special Warrant Agent the Special Warrants held by them, for which Special Warrants, the Special Warrant Agent will issue receipts.
  - (5) Every provision of this Indenture that, by its terms, relieves the Special Warrant Agent of liability or entitles it to rely upon any evidence submitted to it, is subject to the provisions of Applicable Legislation.
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### **Section 9.3 Evidence, Experts and Advisors**

- (1) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Company will furnish to the Special Warrant Agent such additional evidence of compliance with any provisions hereof, in such form, as may be prescribed by Applicable Legislation or as the Special Warrant Agent may reasonably require by written notice to the Company.
  - (2) In the exercise of its rights and duties hereunder, the Special Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Company, certificates of the Company or other evidence furnished to the Special Warrant Agent pursuant to a request of the Special Warrant Agent, provided that such evidence complies with Applicable Legislation and that the Special Warrant Agent complies with Applicable Legislation and that the Special Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.
  - (3) Whenever it is provided in this Indenture or under Applicable Legislation that the Company will deposit with the Special Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited will, in each and every such case, be conditions precedent to the right of the Company to have the Special Warrant Agent take the action to be based thereon.
  - (4) Proof of the execution of an instrument in writing, including a Special Warrantholders' Request, by any Special Warrantholder may be made by the certificate of a notary public, or other officer with similar powers, stating that the person signing such instrument acknowledged to it the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Special Warrant Agent may consider adequate and in the case of a Special Warrantholder that is a corporation, will include a certificate of incumbency of such Special Warrantholder together with a certified resolution authorizing the person who signs such instrument to sign such instrument.
  - (5) The Special Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisors as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and will not be responsible for any misconduct or negligence on the part of any such experts or advisors who have been appointed with due care by the Special Warrant Agent. The Company will pay or reimburse the Special Warrant Agent for any reasonable remuneration, expenses, disbursements and advances of such Counsel, accountant, appraiser or other expert or advisor.
  - (6) The Special Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Company or by the Special Warrant Agent, in relation to any matter arising in the administration of the agency hereof.
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#### **Section 9.4 Documents, Monies, etc. Held by Special Warrant Agent**

Until released in accordance with this Indenture, any funds received hereunder shall be kept in segregated records of the Special Warrant Agent and the Special Warrant Agent shall place the funds in segregated trust accounts of the Special Warrant Agent at one or more of the Canadian Chartered Banks listed in Schedule 1 of the *Bank Act* (Canada) (“**Approved Bank**”). All amounts held by the Special Warrant Agent pursuant to this Agreement shall be held by the Special Warrant Agent for the Company and the delivery of the funds to the Special Warrant Agent shall not give rise to a debtor-creditor or other similar relationship. The amounts held by the Special Warrant Agent pursuant to this Agreement are at the sole risk of the Company and, without limiting the generality of the foregoing, the Special Warrant Agent shall have no responsibility or liability for any diminution of the funds which may result from any deposit made with an Approved Bank pursuant to this section, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default). The parties hereto acknowledge and agree that the Special Warrant Agent will have acted prudently in depositing the funds at any Approved Bank, and that the Special Warrant Agent is not required to make any further inquiries in respect of any such bank. The Special Warrant Agent may hold cash balances constituting part or all of such monies and need not, invest the same; the Special Warrant Agent shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.

#### **Section 9.5 Actions by Special Warrant Agent to Protect Interest**

The Special Warrant Agent will have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Special Warrantholders.

#### **Section 9.6 Special Warrant Agent Not Required to Give Security**

The Special Warrant Agent will not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

#### **Section 9.7 Protection of Special Warrant Agent**

Except as provided in Section 9.2, by way of supplement to the provisions of any law for the time being relating to trustees, it is expressly declared and agreed that the Special Warrant Agent will not:

- (a) be liable for or by reason of any statements of fact or recitals in this Indenture or in the Special Warrant Certificates or be required to verify the same, but all such statements (other than those relating specifically to the Special Warrant Agent) or recitals are and will be deemed to be made by the Company;
  - (b) be bound to give notice to any person or persons of the execution hereof;
  - (c) incur any liability or responsibility whatsoever, or be in any way responsible, for the consequence of any breach on the part of the Company of any of the covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Company;
  - (d) nothing herein contained will impose any obligation on the Special Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
  - (e) be accountable with respect to the validity or value (or the kind or amount) of any Underlying Securities or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Special Warrant;
  - (f) be responsible for any failure of the Company to issue, transfer or deliver the Underlying Securities or certificates representing the Underlying Securities upon the surrender of any Special Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in Article 4; or
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- (g) in any way be responsible for the use by the Company of the proceeds of the Special Warrants issued hereunder.

Notwithstanding the foregoing or any other provision of this Indenture, any liability of the Special Warrant Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Company to the Special Warrant Agent under this Indenture in the 12 months immediately prior to the Special Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Special Warrant Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

#### **Section 9.8 Replacement of Special Warrant Agent; Successor by Merger**

- (1) The Special Warrant Agent may resign its trust and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Company not less than 60 days prior notice in writing or such shorter prior notice as the Company may accept as sufficient. The Special Warrantholders by extraordinary resolution will have power at any time to remove the existing Special Warrant Agent and to appoint a new Special Warrant Agent. In the event of the Special Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Company will forthwith appoint a new Special Warrant Agent unless a new Special Warrant Agent has already been appointed by the Special Warrantholders; failing such appointment by the Company, the retiring Special Warrant Agent or any Special Warrantholder may apply to a justice of the British Columbia Supreme Court, on such notice as such court may direct, for the appointment of a new Special Warrant Agent; but any new Special Warrant Agent so appointed by the Company or by the Supreme Court of British Columbia be subject to removal as aforesaid by the Special Warrantholders. Any new Special Warrant Agent appointed under this Section 9.8 will be a corporation authorized to carry on the business of a trust company in the Province of British Columbia. On any such appointment the new Special Warrant Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Special Warrant Agent under this Indenture without further assurance, conveyance, act or deed, provided that there be executed, at the expense of the Company, all such conveyances or other instruments as may, in the opinion of Counsel, be necessary or advisable for the purpose of assigning such powers, rights, duties and responsibilities to the new Special Warrant Agent, including, without limitation, an appropriate instrument executed by the new Special Warrant Agent accepting such appointment and, at the request of the Company, the predecessor Special Warrant Agent will, upon payment of its outstanding remuneration and expenses, execute and deliver to the new Special Warrant Agent an appropriate instrument transferring to such new Special Warrant Agent all rights and powers of the Special Warrant Agent hereunder.
  - (2) Upon the appointment of a successor Special Warrant Agent, the Company will promptly notify the Special Warrantholders thereof in the manner provided for in Section 10.2.
  - (3) Any corporation into which or with which the Special Warrant Agent may be merged, consolidated or amalgamated, or any corporation resulting therefrom to which the Special Warrant Agent will be a party, or any corporation succeeding to the trust business of the Special Warrant Agent will be the successor to the Special Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Special Warrant Agent under Section 9.9(a).
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- (4) Any Special Warrant Certificates certified but not delivered by a predecessor Special Warrant Agent may be certified by the successor Special Warrant Agent in the name of the predecessor or successor Special Warrant Agent.

#### **Section 9.9 Acceptance of Trust**

The Special Warrant Agent hereby accepts the trusts declared and provided for in this Indenture and agrees to perform the same upon the terms and conditions herein set forth.

#### **Section 9.10 Special Warrant Agent Not to be Appointed Receiver**

The Special Warrant Agent and any person related to the Special Warrant Agent will not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Company.

#### **Section 9.11 Reliance by the Special Warrant Agent**

The Special Warrant Agent may act on the opinion or advice obtained from Counsel to the Special Warrant Agent and will, provided it acts in good faith in reliance thereon, not be responsible for any loss occasioned by doing so nor will it incur any liability or responsibility for determining in good faith not to act upon such opinion or advice. The Special Warrant Agent will be protected in acting and relying reasonably upon any written notice, direction, instruction, order, certificate, confirmation, request, waiver, consent, receipt, statutory declaration or other paper or document (collectively referred to as the “**Documents**”) furnished to it and signed by any person required to or entitled to execute and deliver to the Special Warrant Agent any such Documents in connection with this Special Warrant Indenture, not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and accuracy of any information therein contained, which it in good faith believes to be genuine.

#### **Section 9.12 Indemnity of Special Warrant Agent**

The Company hereby indemnifies and agrees to hold harmless the Special Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the “**Indemnified Parties**”) from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties’ duties, or any other services that Special Warrant Agent may provide in connection with or in any way relating to this Indenture. The Company agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that the Company shall not be required to indemnify the Indemnified Parties in the event of the gross negligence or wilful misconduct of the Special Warrant Agent, and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture; and Notwithstanding the foregoing or any other provision of this Indenture, any liability of the Special Warrant Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Company to the Warrant Agent under this Indenture in the twelve (12) months immediately prior to the Special Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

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### **Section 9.13 Anti-Money Laundering**

The Special Warrant Agent will retain the right not to act and will not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Special Warrant Agent, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist legislation or economic sanctions legislation, regulation or guideline. Further, should the Special Warrant Agent, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in noncompliance with any applicable anti- money laundering, anti-terrorist legislation or economic sanctions legislation, regulation or guideline, then it will have the right to resign on 10 days prior written notice sent to the Company provided that (a) the Special Warrant Agent's written notice will describe the circumstances of such non-compliance, and (b) that if such circumstances are rectified to the Special Warrant Agent's satisfaction within such 10-day period, then such resignation will not be effective.

## **ARTICLE 10 GENERAL**

### **Section 10.1 Notice to the Company and the Special Warrant Agent**

- (1) Unless herein otherwise expressly provided, any notice to be given hereunder to the Company or the Special Warrant Agent will be deemed to be validly given if delivered, sent by registered letter, postage prepaid or emailed:
- (a) If to the Company:
- Carbon Streaming Corporation  
4 King Street West, Suite 401  
Toronto, Ontario M5H 1B6
- Attention: Justin Cochrane  
Email: [REDACTED]
- (b) With a copy to (which shall not constitute notice):
- Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9
- Attention: Steven D. Bennett  
Email: [sbennett@stikeman.com](mailto:sbennett@stikeman.com)
- and to
- Attention: Marshall Eidinger  
Email: [MEidinger@stikeman.com](mailto:MEidinger@stikeman.com)
-

- (c) If to the Special Warrant Agent:

Odyssey Trust Company  
1230 – 300 5th Avenue SW  
Calgary, Alberta T2P 3C4

Attention: Corporate Trust

Email: [corptrust@odysseytrust.com](mailto:corptrust@odysseytrust.com).

and any such notice delivered or emailed in accordance with the foregoing will be deemed to have been received on the date of delivery, or, if mailed, on the third Business Day following the date of the postmark on such notice, or if sent by email, be deemed to have been given and received on the day it was so sent unless it was sent:

- (d) on a day which is not a Business Day in the place to which it was sent; or
- (e) after 4:00 p.m. in the place to which it was sent, in which cases it will be deemed to have been given and received on the next day which is a Business Day in the place to which it was sent.
- (f) The Company or the Special Warrant Agent or the Agent, as the case may be, may from time to time notify the other in the manner provided in Section 10.1(1) of a change of address which, from the effective date of such notice and until changed by like notice, will be the address of the Company or the Special Warrant Agent, as the case may be, for all purposes of this Indenture.
- (g) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Special Warrant Agent or to the Company hereunder could reasonably be considered unlikely to reach its destination, such notice will be valid and effective only if it is delivered or faxed to the named officer of the party to which it is addressed.

#### **Section 10.2 Notice to Special Warrantholders**

- (1) Unless otherwise provided herein, notice to the Special Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary prepaid post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively received and given on the date of delivery if that date is a Business Day or the Business Day following the date of delivery if such date is not a Business Day or, if mailed, on the third Business Day following the date of mailing such notice. In the event that Special Warrants are held in the name of the Depository, a copy of such notice shall also be sent by electronic communication to the Depository and shall be deemed received and given on the day it is so sent.
  - (2) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Special Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice may be given in a news release disseminated through a newswire service, filed on the Company's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com), and posted on the Company's website; provided that in the case of a notice convening a meeting of the Special Warrantholders, the Special Warrant Agent may require such additional publications of that notice, in Vancouver, British Columbia, Toronto, Ontario, or in other cities or both, as it may deem necessary for the reasonable notification of the holders of Special Warrants or to comply with any applicable requirement of law or any stock exchange. Any notice so given shall be deemed to have been given on the day on which it has been published in all of the cities in which publication was required.
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### **Section 10.3 Ownership of Special Warrants**

The Company and the Special Warrant Agent may deem and treat the registered owner of any Special Warrant as the absolute owner of the Special Warrant represented thereby for all purposes, and the Company and the Special Warrant Agent will not be affected by any notice or knowledge to the contrary except where the Company or the Special Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Special Warrantholder will be entitled to the rights evidenced by such Special Warrant Certificate or a customary confirmation in accordance with Section 2.2(2) hereunder in the case of Special Warrants in uncertificated form, free from all equities or rights of setoff or counterclaim between the Company and the original or any intermediate holder of the Special Warrants and all persons may act accordingly and the issuance thereto in accordance with the terms hereof pursuant thereto will be a good discharge to the Company and the Special Warrant Agent for the same and the Company and the Special Warrant Agent will not be bound to inquire into the title of any such holder except where the Company or the Special Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

### **Section 10.4 Evidence of Ownership**

The Company and the Special Warrant Agent may deem and treat the registered Special Warrantholders as the absolute owners thereof for all purposes, and the Company and the Special Warrant Agent shall not be affected by any notice or knowledge to the contrary except where the Company or the Special Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such registered Special Warrantholder of the Underlying Shares and Underlying Warrants comprising the Underlying Securities which may be acquired pursuant thereto shall be a good discharge to the Company and the Special Warrant Agent for the same and neither the Company nor the Special Warrant Agent shall be bound to inquire into the title of any such holder except where the Company or the Special Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

### **Section 10.5 Counterparts**

This Indenture may be executed by facsimile and in several counterparts, each of which when so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument and notwithstanding their date of execution they will be deemed to be executed as of the date hereof.

### **Section 10.6 Privacy Matters**

The Company acknowledge that the Special Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about the Company and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (a) to provide the services required under this Indenture and other services that may be requested from time to time;
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- (b) to help the Special Warrant Agent manage its servicing relationships with such individuals;
- (c) to meet the Special Warrant Agent's legal and regulatory requirements; and
- (d) if Social Insurance Numbers are collected by the Special Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

The Company acknowledges and agrees that the Special Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Special Warrant Agent shall make available on its website, [www.odysseytrust.com](http://www.odysseytrust.com), or upon request, including revisions thereto. The Special Warrant Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, the Company agrees that it shall not provide or cause to be provided to the Special Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless the Company has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

#### **Section 10.7 Satisfaction and Discharge of Indenture**

Upon the earlier of:

- (a) the date by which there will have been delivered to the Special Warrant Agent a written order for the exercise, cancellation or destruction of all Special Warrant Certificates theretofore certified hereunder, or
- (b) the Expiry Time,

and if all certificates or electronic deposits with the Depository representing the Underlying Securities required to be issued in compliance with the provisions hereof have been issued and delivered, this Indenture will cease to be of force or effect and the Special Warrant Agent, on demand of and at the cost and expense of the Company and upon delivery to the Special Warrant Agent of a certificate of the Company stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, will execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Special Warrant Agent by the Company hereunder will remain in full force and effect and survive the termination of this Indenture.

#### **Section 10.8 Provisions of Indenture and Special Warrants for the Sole Benefit of Parties and Special Warrantholders**

Nothing in this Indenture or in the Special Warrant Certificates, expressed or implied, will give or be construed to give to any person other than the parties hereto and the Special Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Special Warrantholders.

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### **Section 10.9 Special Warrants Owned by the Company or its Subsidiaries – Certificate to be Provided**

For the purpose of disregarding any Special Warrants owned legally or beneficially by the Company in Section 7.16, the Company will provide to the Special Warrant Agent, from time to time and upon request of the Special Warrant Agent, a certificate of the Company setting forth, as at the date of such certificate:

- (a) the names (other than the name of the Company) of the registered holders of Special Warrants which, to the knowledge of the Company, are owned by or held for the account of the Company; and
- (b) the number of Special Warrants owned legally or beneficially by the Company,

and the Special Warrant Agent, in making the computations, will be entitled to rely on such certificate without any additional evidence.

### **Section 10.10 Representation Regarding Third Party Interests**

The Company hereby represents to the Special Warrant Agent that any account to be opened by, or interest to held by, the Special Warrant Agent in connection with this Indenture, for or to the credit of the Company, either (a) is not intended to be used by or on behalf of any third party, or (b) is intended to be used by or on behalf of a third party, in which case the Company hereby agrees to complete, execute and deliver forthwith to the Special Warrant Agent a declaration, in the Special Warrant Agent's prescribed form or in such other form as may be satisfactory to it, as to the particulars of such third party.

### **Section 10.11 Power to Amend**

All and any provisions of this Indenture and the Special Warrant Certificates may from time to time be amended by agreement between the Company and the Special Warrant Agent on its own behalf and on behalf of the Special Warrantholders in any respect which they deem necessary or desirable, with notice to but without the need for any additional consent by or on behalf of the Special Warrantholders, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions contained herein or in any manner which the Company and the Special Warrant Agent on its own behalf and on behalf of the Special Warrantholders may deem necessary or expedient and which does not in the opinion of the Special Warrant Agent, relying upon the opinion of Counsel, materially prejudice the rights exercisable by extraordinary resolution of the Special Warrantholders within the meaning of and in accordance with the procedures set forth in Article 7 hereof and any such amendments will be binding on all Special Warrantholders from and after the effective date thereof. If this Indenture is so amended, reference herein to this Indenture will, unless the context otherwise requires, be construed, as from the date from which such amendment is expressed to be made, as references to this Indenture and so amended.

### **Section 10.12 Waiver**

Each of the parties hereto will have the right to waive any of its rights under this Indenture, in whole or in part, in its absolute discretion, and any such right once waived may thereafter, subject to the terms of the waiver, be reasserted by such party at any time and enforced pursuant to the terms of this Indenture.

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### **Section 10.13 Force Majeure**

Except for the payment obligations of the Company contained herein, neither party will be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, pandemics, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture will be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

### **Section 10.14 Governing Law**

This Indenture and the Special Warrant Certificates will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and will be treated in all respects as British Columbia contracts. Each of the parties hereto irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia with respect to all matters arising out of this Indenture and the transactions contemplated herein.

### **Section 10.15 Assignment, Successors and Assigns**

Neither of the parties hereto may assign its rights or interest under this Indenture, except as provided in Section 9.9 in the case of the Special Warrant Agent, or as provided in Section 8.2 in the case of the Company. Subject thereto, this Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

*[Remainder of page intentionally left blank. Signature page follows.]*

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**IN WITNESS WHEREOF** the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

**CARBON STREAMING CORPORATION**

By: “Justin Cochrane”  
Name: Justin Cochrane  
Title: President and Chief Executive Officer

**ODYSSEY TRUST COMPANY**

By: “Dan Sander”  
Name: Dan Sander  
Title: President, Corporate Trust

By: “Amy Douglas”  
Name: Amy Douglas  
Title: Director, Corporate Trust

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**SCHEDULE “A”  
FORM OF SPECIAL WARRANT CERTIFICATE**

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [the date that is four months and one day after the Closing Date will be inserted].**

**WITHOUT PRIOR APPROVAL OF NEO EXCHANGE INC. AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF NEO EXCHANGE INC. OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [the date that is four months and one day after the Closing Date will be inserted].**

**[NOTE: THE LEGEND BELOW NEEDS ONLY BE ENDORSED ON THE SPECIAL WARRANT CERTIFICATES ISSUED TO OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON.]**

**THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF BY ACQUIRING THESE SECURITIES AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF AGREES FOR THE BENEFIT OF CARBON STREAMING CORPORATION (THE “CORPORATION”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO ODYSSEY TRUST COMPANY TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.**

**THE SECURITIES EVIDENCED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER U.S. SECURITIES ACT OR U.S. STATE SECURITIES LAWS. THESE WARRANTS MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THIS SECURITY AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS SECURITY HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LEGISLATION OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. “UNITED STATES” AND “U.S. PERSON” ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.**

## SPECIAL WARRANT CERTIFICATE

### CARBON STREAMING CORPORATION

(incorporated under the laws of the Province of British Columbia)

No. SW-[●]  
CUSIP NO: 14116K131  
ISIN NO: CA14116K1315

[●] SPECIAL WARRANTS entitling the holder to acquire one Unit for each Special Warrant, subject to the terms as set out below and in the Indenture

**THIS IS TO CERTIFY** that, for value received, [●] (the “**Special Warrantholder**”) is the registered holder of the number of special warrants (the “**Special Warrants**”) stated above and is entitled to acquire in the manner and at the time, and subject to the restrictions contained in the Indenture (as defined below), the number of units (each, a “**Unit**”) of Carbon Streaming Corporation (the “**Company**”) as is equal to the number of Special Warrants represented hereby (subject to adjustment as set out below and in the Indenture), all without payment of any consideration in addition to that paid for the Special Warrants represented hereby. Each Unit consists of one (1) common share in the capital of the Company (a “**Common Share**”) and one (1) Common Share purchase warrant (a “**Warrant**”, and together with the Common Shares, the “**Underlying Securities**”). Each Warrant will entitle the holder thereof to purchase one (1) Common Share (a “**Warrant Share**”) at a price of USD\$1.50 per Warrant Share until the date that is sixty-two (62) months from the date of issue of the Warrant (the “**Warrant Expiry Date**”).

The Special Warrants represented by this certificate are issued under and pursuant to a certain special warrant indenture (the “**Indenture**”) made as of July 19, 2021 between the Company and Odyssey Trust Company (the “**Special Warrant Agent**”) (which expression includes any successor trustee appointed under the Indenture), to which Indenture and any instruments supplemental thereto reference is hereby made for a full description of the rights of the holders of the Special Warrants and the terms and conditions upon which such Special Warrants are, or are to be, issued and held, all to the same effect as if the provisions of the Indenture and all instruments supplemental thereto were herein set forth, to all of which provisions the holder of these Special Warrants by acceptance hereof assents. All terms defined in the Indenture are used herein as so defined. In the event of any conflict or inconsistency between the provisions of the Indenture and the provisions of this Special Warrant Certificate, except those that are necessary by context, the provisions of the Indenture shall prevail. The Company will furnish to the holder of this Special Warrant Certificate, upon request and without charge, a copy of the Indenture.

The Special Warrants represented by this Special Warrant Certificate are exercisable at or prior to 4:30 p.m. (Toronto time) (the “**Expiry Time**”) on the date of automatic exercise of the Special Warrants which automatic exercise shall occur on the earlier of (the “**Expiry Date**”):

- (i) the third Business Day after the Qualification Date; and
- (ii) the date that is four (4) months and one (1) day following the Closing Date;

**If any Special Warrants have not been voluntarily exercised by the holders thereof prior to the Expiry Time on the Expiry Date, then such Special Warrants will be deemed to have been exercised, delivered and surrendered by the holder thereof on such Expiry Date prior to the Expiry Time without any further action or additional payment on the part of the holder.**

The holder of this Special Warrant Certificate may, at any time before the Expiry Time, exercise all or any number of the Special Warrants represented hereby, by surrendering to the Special Warrant Agent a Special Warrant Certificate or Special Warrant Certificates representing the number of Special Warrants to be exercised, together with the duly completed and executed Exercise Form attached as Appendix 1 hereto in accordance with the instructions contained in Appendix 4 attached hereto. Any such exercise, at a time when the Company has not received the Receipt for the Prospectus from the Securities Commissions or the Prospectus has not been delivered to the Special Warrantholder, is subject to compliance with, and may be restricted by, Applicable Legislation. If, at the time of the exercise of the Special Warrants, there remain restrictions on resale under Applicable Legislation on the Underlying Securities issued upon exercise thereof, the Company may endorse the certificates representing such securities with respect to such resale restrictions.

The Underlying Securities issuable upon exercise of the Special Warrants will be deemed to have been issued on the date of such exercise, at which time each Special Warrantholder will be deemed to have become the holder of record of such Underlying Securities.

After the exercise of Special Warrants, the Special Warrant Agent shall within five Business Days of such exercise cause to be mailed or delivered to each Special Warrantholder at its address specified in the register for the Special Warrants maintained by the Special Warrant Agent or to such address as the Company or Special Warrantholder may specify in writing to the Special Warrant Agent prior to the exercise of such Special Warrants, certificates for the appropriate number of Underlying Securities issuable in respect of such Special Warrants, not exceeding those which such Special Warrantholder is entitled to acquire pursuant to the Special Warrants so exercised. If the holder of this Special Warrant Certificate exercises some but not all of the Special Warrants represented hereby, the holder will be entitled to receive, without charge, a new Special Warrant Certificate representing the unexercised number of the Special Warrants represented hereby.

The holder of this Special Warrant Certificate may at any time up to the Expiry Time, upon written instruction delivered to the Special Warrant Agent and payment of the charges provided for in the Indenture and otherwise in accordance with the provisions of the Indenture, exchange this Special Warrant Certificate for other Special Warrant Certificates evidencing Special Warrants entitling the holder to acquire in the aggregate the same number of Underlying Securities as may be acquired under this Special Warrant Certificate.

The number of Underlying Securities which may be acquired by a Special Warrantholder upon exercise of Special Warrants, are subject to and governed by Article 4 of the Indenture with respect to anti-dilution provisions, including provisions for the appropriate adjustment of the class, number and price of the securities issuable hereunder upon the occurrence of certain events including any subdivision, consolidation, or reclassification of the shares, payment of stock dividends, or amalgamation of the Company.

The holding of the Special Warrants evidenced by this Special Warrant Certificate does not constitute the Special Warrantholder a shareholder of the Company or entitle such holder to any right or interest in respect thereof except as herein and in the Indenture expressly provided.

The Special Warrants may only be transferred by the Special Warrantholder (or its legal representatives or its attorney duly appointed), on the register kept at the office of the Special Warrant Agent in accordance with applicable laws and upon compliance with the conditions set out in the Indenture, by delivering to the Special Warrant Agent's Vancouver office a duly executed Form of Transfer attached as Appendix 2 and complying with such other reasonable requirements as the Company and the Special Warrant Agent may prescribe and such transfer shall be duly noted on the register by the Special Warrant Agent.

The holder understands and acknowledges that the Special Warrants and Underlying Securities issuable hereunder upon exercise of the Special Warrants (together, the “**Securities**”) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or under the securities laws of any state of the United States, and that Special Warrants originally issued in the United States or to, or for the account or benefit of, a person in the United States or a U.S. person are, and any Securities issued upon exercise of such Special Warrants will be, “**restricted securities**” within the meaning of Rule 144(a)(3) of the U.S. Securities Act. “**United States**” and “**U.S. person**” have the respective meanings assigned in Regulation S (“**Regulation S**”) under the U.S. Securities Act.

The holder understands that the Special Warrants represented hereby may not be exercised within the United States or by or for the account or benefit of a U.S. person or a person in the United States, and the Securities issuable upon exercise of such Special Warrants may not be delivered within the United States, unless such Securities are registered under the U.S. Securities Act and the securities laws of any state in which the holder is resident, or unless an exemption from such registration requirements is available.

The holder understands that, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable U.S. state securities laws, certificates representing securities which are “restricted securities”, and all certificates issued in exchange therefor or in substitution thereof, will bear a U.S. restrictive legend substantially in the form prescribed by Section 2.14(2) of the Indenture; provided that if the Special Warrants are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, such legend may be removed by providing an executed declaration to the Special Warrant Agent or, with respect to the Shares, the Company’s registrar and transfer agent, in substantially the form set forth as Appendix 3 attached to this Special Warrant Certificate (or in such other form as the Company may prescribe from time to time) and, if requested by the Company, the Special Warrant Agent or the transfer agent (as the case may be), an opinion of counsel of recognized standing in form and substance satisfactory to the Company, the Special Warrant Agent and the transfer agent (as applicable) to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Securities are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the Company and the transfer agent of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company, the Special Warrant Agent and the transfer agent (as applicable), to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or U.S. state securities laws; and further provided that such legend may be removed from certificates representing any Special Warrants in accordance with the terms and conditions set forth in the indenture governing the Special Warrants.

This Special Warrant Certificate shall be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

After the exercise of any of the Special Warrants represented by this Special Warrant Certificate, the Special Warrantholder shall no longer have any rights under either the Indenture or this Special Warrant Certificate with respect to such Special Warrants, other than the right to receive certificates or an electronic deposit with the Depository representing the Underlying Securities issuable on the exercise of those Special Warrants, and those Special Warrants shall be void and of no further value or effect.

The Indenture contains provisions making binding upon all Special Warrantholders resolutions passed at meetings of such holders in accordance with such provisions or by instruments in writing signed by the Special Warrantholders holding a specified percentage of the Special Warrants.

Time shall be of the essence hereof.

**IN WITNESS WHEREOF** the Company has caused this Special Warrant Certificate to be executed and the Special Warrant Agent has caused this Special Warrant Certificate to be countersigned by its duly authorized officers as of this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**CARBON STREAMING CORPORATION**

By: \_\_\_\_\_  
Authorized Signatory

**ODYSSEY TRUST COMPANY**

By: \_\_\_\_\_  
Authorized Signatory

**APPENDIX 1  
TO SPECIAL WARRANT CERTIFICATE**

**EXERCISE FORM**

**TO: CARBON STREAMING CORPORATION** (the “**Company**”)

**AND TO: ODYSSEY TRUST COMPANY**

1. The undersigned hereby irrevocably subscribes for and exercises the right to acquire \_\_\_\_\_ Underlying Securities of the Company (or such number of other securities or property to which such Special Warrants entitle the undersigned in lieu thereof or in addition thereto under the provisions of the accompanying Special Warrant Certificate) according to the provisions of the Indenture referenced in the accompanying Special Warrant Certificate.
2. The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

Any capitalized term in this Special Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Special Warrant Indenture.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Special Warrants (i) is not in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Special Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) did not execute or deliver this exercise form in the United States and (v) delivery of the Underlying Securities will not be to an address in the United States; OR

☐ (B) the undersigned holder (a) is the original U.S. purchaser of the Special Warrants who delivered the Certificate of U.S. Purchaser attached to the subscription agreement in connection with its purchase of securities, (b) is exercising the Special Warrants for its own account or for the account of a disclosed principal that was named in the subscription agreement pursuant to which it purchased such securities, and (c) is, and such disclosed principal, if any, is an “**accredited investor**” as defined in Rule 501(a) of Regulation D under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) at the time of exercise of these Special Warrants and the representations and warranties of the holder made in the original subscription agreement including the Certificate of U.S. Purchaser remain true and correct as of the date of exercise of these Special Warrants; OR

☐ (C) if the undersigned holder is (i) a holder in the United States, (ii) a U.S. Person, (iii) a person exercising for the account or benefit of a U.S. Person, (iv) executing or delivering this exercise form in the United States or (v) requesting delivery of the Underlying Securities in the United States, the undersigned holder has delivered to the Company and the Company’s transfer agent an opinion of counsel (which will not be sufficient unless it is in form and substance reasonably satisfactory to the Company and Warrant Agent) or such other evidence reasonably satisfactory to the Company and Warrant Agent to the effect that with respect to the Underling Securities to be delivered upon exercise of the Special Warrants, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration requirements is available.



It is understood that the Company and Odyssey Trust Company may require evidence to verify the foregoing representations.

Notes: (1) Certificates will not be registered or delivered to an address in the United States unless Box B or C above is checked.

(2) If Box C above is checked, holders are encouraged to consult with the Company and the Warrant Agent in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Company and the Warrant Agent.

“**United States**” and “**U.S. Person**” are as defined in Rule 902 of Regulation S under the U.S. Securities Act.

3. The Underlying Securities (or other securities or property) are to be registered as follows:

Name: \_\_\_\_\_  
(print clearly)

Address in full:\_\_\_\_\_

Number of Shares:\_\_\_\_\_

4. Such securities should be sent by courier to:

Name: \_\_\_\_\_  
(print clearly)

Address in full:\_\_\_\_\_

If the number of Special Warrants exercised is less than the number of Special Warrants represented hereby, the undersigned requests that the new Special Warrant Certificate representing the balance of the Special Warrants be registered in the name of the undersigned and should be sent by courier to:

Name: \_\_\_\_\_  
(print clearly)

Address in full:\_\_\_\_\_

The undersigned understands that upon the exercise of Special Warrants issued in the United States or to, or for the account or benefit of, a “**U.S. person**” or a person in the United States, which bear the legend in Section 2.14(2) of the Indenture, the certificate(s) representing the Underlying Securities issued upon exercise of Special Warrants will bear a legend substantially in the form prescribed by Section 3.8(3) of the Indenture restricting transfer of the Underlying Securities without registration under the U.S. Securities Act, and applicable U.S. state securities laws unless an exemption from registration is available. “**U.S. person**” and “**United States**” have the respective meanings assigned in Regulation S under the U.S. Securities Act.

DATED at \_\_\_\_\_, \_\_\_\_\_, this \_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature Witnessed or Guaranteed  
(See instructions to Special Warrantholders in Appendix 4)

\_\_\_\_\_  
(Signature of Special Warrantholder, to be the same as  
appears on the face of this Special Warrant Certificate)

Name of Special Warrantholder:

Address (**Please print**): \_\_\_\_\_  
\_\_\_\_\_

Notes to Special Warrantholders:

1. In order to voluntarily exercise the Special Warrants represented by this certificate, prior to the Expiry Time pursuant to Article 3 of the Indenture, this exercise form must be delivered to the Special Warrant Agent, together with this Special Warrant Certificate. Refer to the instructions to Special Warrantholders attached as Appendix 4 to this Special Warrant Certificate.
2. If this exercise form indicates that the Underlying Securities are to be issued to a person or persons other than the registered holder of this Special Warrant Certificate, the Transfer Form attached as Appendix 2 must be completed. The signature(s) of such holder on the exercise form and the transfer form must be guaranteed by a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). The Guarantor must affix a stamp bearing the actual words “**Medallion Guaranteed**”, with the correct prefix covering the face value of the certificate.
3. The Underlying Securities issued on exercise prior to the Expiry Time will be subject to restrictions on resale under applicable securities legislation and will be endorsed with legends to that effect.

**APPENDIX 2**  
**TO SPECIAL WARRANT CERTIFICATE**  
**FORM OF TRANSFER**

TO:           **CARBON STREAMING CORPORATION** (the “**Company**”)

AND TO:   **ODYSSEY TRUST COMPANY**

**FOR   VALUE   RECEIVED,**   the   undersigned   hereby   sells,   assigns   and   transfers   unto   (name)  
\_\_\_\_\_ (the                    “**Transferee**”),                   of  
\_\_\_\_\_ (residential                   address)  
\_\_\_\_\_ Special Warrants of Carbon Streaming Corporation registered in the name of  
the undersigned on the records of Odyssey Trust Company represented by the attached certificate, and irrevocably appoints  
\_\_\_\_\_ as the attorney of the undersigned to transfer the said securities on the books or register  
of transfer, with full power of substitution.

**THE UNDERSIGNED TRANSFEROR HEREBY CERTIFIES AND DECLARES** that the Special

Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. Person (as defined in Regulation S under the U.S. Securities Act) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available and an opinion of counsel, reasonably acceptable to the Company, has been provided.

The undersigned certifies that all applicable Canadian and foreign securities laws and requirements of regulatory authorities respecting the transfer of the said securities have been complied with. Without limiting the foregoing, if the Special Warrant Certificate bears a legend restricting the transfer of the Special Warrants except pursuant to an exemption from registration under the U.S Securities Act of 1933, as amended (the “**U.S. Securities Act**”), this form of Transfer of Special Warrants must be accompanied by a Form of Declaration for Removal of Legend in the form set forth as Appendix 3 to the Special Warrant Certificate (or such other form as the Company may prescribe from time to time), or, at the discretion of the Company and Special Warrant Agent, a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company and Special Warrant Agent to the effect that the transfer is exempt from registration under the U.S. Securities Act and applicable state securities laws.

☐ If transfer is to a U.S. Person, check this box.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature Guaranteed  
(See instructions to Special Warrantholders in Appendix 4)

\_\_\_\_\_  
(Signature of Special Warrantholder, to be the same as  
appears on the face of this Special Warrant Certificate)

Name of Special Warrantholder:

Address (**Please print**):  
\_\_\_\_\_  
\_\_\_\_\_

**REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).**

☐ Gift                      ☐ Estate                      ☐ Private                      ☐ Other (or no charge in ownership)

**Date of Event** (Date of gift, death or sale): **Value per Special Warrant** on the date of event:

\_\_\_/\_\_\_/\_\_\_\_                      \$ \_\_\_\_\_.\_\_\_                      ☐ CAD        **OR**        ☐ USD

**CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY**

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

**Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words “**Medallion Guaranteed**”, with the correct prefix covering the face value of the certificate.

**Canada:** A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words “**Signature Guaranteed**”, sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a “**Signature & Authority to Sign Guarantee**” Stamp affixed to the transfer (as opposed to a “**Signature Guaranteed**” Stamp) obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.

**Outside North America:** For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “**SIGNATURE GUARANTEED**”,

“**MEDALLION GUARANTEED**” OR “**SIGNATURE & AUTHORITY TO SIGN GUARANTEE**”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a “**SIGNATURE & AUTHORITY TO SIGN GUARANTEE**” Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a “**MEDALLION GUARANTEED**” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

**REASON FOR TRANSFER – FOR US RESIDENTS ONLY**

Consistent with US IRS regulations, Computershare is required to request cost basis information from US securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

**Note to Special Warrantholders:**

- (1) In order to transfer the Special Warrants represented by this Special Warrant Certificate, this transfer form must be delivered to the Special Warrant Agent, together with this Special Warrant Certificate.
- (2) The Underlying Securities issued on exercise prior to the Expiry Time will be subject to restrictions on resale under applicable securities legislation and will be endorsed with legends that effect.

APPENDIX 3  
TO SPECIAL WARRANT CERTIFICATE

FORM OF DECLARATION FOR REMOVAL OF LEGENDS

TO: **Carbon Streaming Corporation** (the “**Company**”)

AND TO: **Odyssey Trust Company**, as Special Warrant Agent for the Special Warrants, or, as registrar and transfer agent for the Underlying Securities, of the Company.

The undersigned (a) acknowledges that the sale of securities of the Company to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and (b) certifies that (1) the undersigned is not a “**distributor**”, an “**affiliate**” (as that term is defined in Rule 405 under the U.S. Securities Act) of the Company or any “**distributor**” a “**distributor**”, or a person acting on behalf of any of the foregoing, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States or (B) the transaction was executed in, on or through the facilities of NEO Exchange Inc. or another “**designated offshore securities market**” and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in “**directed selling efforts**” in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for purposes of “**washing off**” the resale restrictions imposed because the securities are “**restricted securities**” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 under the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions that, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act Dated \_\_\_\_\_, 20\_\_\_\_.

**x** \_\_\_\_\_  
Signature of individual (if Holder is an Individual)

**x** \_\_\_\_\_  
Authorized Signatory (if Holder is **not** an Individual)

\_\_\_\_\_  
Name of Holder (**please print**)

\_\_\_\_\_  
Name and Title of authorized signatory (**please print**)

**Affirmation by Seller’s Broker-Dealer**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the “**Seller**”), dated \_\_\_\_\_, with regard to the sale, for such Seller’s account, of \_\_\_\_\_ (the “**Securities**”) of the Company represented by certificate number(s) \_\_\_\_\_. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of NEO Exchange Inc., the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another “**designated offshore securities market**” (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no “**directed selling efforts**” were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker’s commission that would be received by a person executing such transaction as agent.

For purposes of these representations: “**affiliate**” means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; “**directed selling efforts**” means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and “**United States**” means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

\_\_\_\_\_  
Name of Firm

By: \_\_\_\_\_

Authorized Officer

Date: \_\_\_\_\_

**APPENDIX 4  
TO SPECIAL WARRANT CERTIFICATE**

**INSTRUCTIONS TO SPECIAL WARRANTHOLDERS**

**TO EXERCISE:**

If the Special Warrantholder voluntarily exercises Special Warrants prior to the Expiry Time pursuant to Article 3 of the Indenture, it must complete, sign and deliver:

- (a) the Exercise Form, attached as Appendix 1; and
- (b) the Special Warrant Certificates,

to the Special Warrant Agent indicating the number of Underlying Securities to be acquired. In such case, the signature of such registered holder on the Exercise Form must be witnessed.

**TO TRANSFER:**

If the Special Warrantholder wishes to transfer Special Warrants, then the Special Warrantholder must complete, sign and deliver (as appropriate):

- (a) the Transfer Form attached as Appendix 2; and
- (b) the Special Warrant Certificates;

to the Special Warrant Agent indicating the number of Special Warrants to be transferred.

If the Special Warrant Certificate is transferred, the Special Warrantholder's signature on the Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange.

For the protection of the holder, it would be prudent to use registered mail if forwarding by mail.

**GENERAL:**

If the Transfer Form or Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Special Warrant Certificate must also be accompanied by evidence of authority to sign satisfactory to the Special Warrant Agent.

The name and address of the Special Warrant Agent is:

Odyssey Trust Company  
1230 – 300 5th Avenue SW  
Calgary, AB T2P 3C4



**SCHEDULE “B”  
EXPIRY DATE NOTICE**

THIS IS SCHEDULE “B” to the Special Warrant Indenture made as of July 19, 2021 between CARBON STREAMING CORPORATION and ODYSSEY TRUST COMPANY, as Special Warrant Agent.

Reference is made to the Special Warrant Indenture (the “**Indenture**”) dated July 19, 2021 between Carbon Streaming Corporation (the “**Company**”) and Odyssey Trust Company, as Special Warrant Agent. All capitalized terms not used but not defined herein shall have the meaning ascribed thereto in the Indenture.

Pursuant to the terms of the Indenture, “**Expiry Date**” means the earlier of:

- (i) the third Business Day after the Qualification Date; and
- (ii) the date that is four (4) months and one (1) day following the Closing Date

Pursuant to Section 3.9 of the Indenture, the Company hereby gives notice to the Special Warrant Agent of the issuance of the Receipt and that the Expiry Date is \_\_\_\_\_, 2021 being [**the third Business Day after the Qualification Date of \_\_\_\_\_ / or the date that is four months and one day after the Closing Date**].

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[\*]

\_\_\_\_\_  
Authorized Signatory

**CARBON STREAMING CORPORATION**

as the Corporation

and

**ODYSSEY TRUST COMPANY**

as the Warrant Agent

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**WARRANT INDENTURE**  
**Providing for the Issue of Warrants**

Dated as of the 19<sup>th</sup> day of July, 2021

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## WARRANT INDENTURE

**THIS WARRANT INDENTURE** is dated effective as of the 19<sup>th</sup> day of July, 2021

### BETWEEN:

**CARBON STREAMING CORPORATION**, a corporation existing under the laws of the Province of British Columbia (the “**Corporation**”)

- AND -

**ODYSSEY TRUST COMPANY**, a trust company incorporated under the laws of Alberta and authorized to carry on business in the provinces of Alberta and British Columbia (the “**Warrant Agent**”);

**WHEREAS** in connection with a private placement (the “**Offering**”) of Units (as defined herein) by the Corporation, the Corporation is proposing to issue up to 110,000,000 Warrants (as defined herein) pursuant to this Indenture;

**AND WHEREAS** each whole Warrant shall, subject to adjustment in certain events, entitle the holder thereof to acquire one Common Share (as defined herein) (each, a “**Warrant Share**”) upon payment of the Exercise Price (as defined herein) prior to the Expiry Time (as defined herein) upon the terms and conditions herein set forth;

**AND WHEREAS** all acts and deeds necessary have been done and performed to make the Warrants, when created and issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture;

**AND WHEREAS** the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Warrant Agent;

**NOW THEREFORE**, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent as warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Warrants issued pursuant to this Indenture and the parties hereto agree as follows:

## ARTICLE 1 INTERPRETATION

### Section 1.1 Definitions.

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

“**Adjustment Period**” means the period from the Effective Date up to and including the Expiry Time;

“**Applicable Legislation**” means any statute of Canada or a province or territory thereof, and the regulations under any such named or other statute, relating to warrant indentures or to the rights, duties and obligations of warrant agents under warrant indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

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“**Auditors**” means Baker Tilly WM LLP, Chartered Accountants or such other firm of chartered accountants duly appointed as auditors of the Corporation, from time to time;

“**Authenticated**” means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation or on which the signatures of the Corporation have been printed, lithographed or otherwise mechanically reproduced and authenticated by manual signature of an authorized officer of the Warrant Agent, and (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.7 are entered in the register of holders of Warrants, “Authenticate”, “Authenticating” and “Authentication” have the appropriate correlative meanings;

“**Book Entry Participants**” or “**Participants**” means institutions that participate directly or indirectly in the Depository’s book entry registration system for the Warrants;

“**Book Entry Warrants**” means Warrants that are to be held only by or on behalf of the Depository;

“**Business Day**” means any day other than Saturday, Sunday or a statutory or civic holiday, or any other day on which banks are not open for business in the City of Toronto, Ontario, the City of Calgary, Alberta, or the City of Vancouver, British Columbia, and shall be a day on which the Exchange is open for trading;

“**CDS Global Warrants**” means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository and represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

“**CDSX**” means the settlement and clearing system of CDS Clearing and Depository Services Inc. for equity and debt securities in Canada;

“**Common Shares**” means, subject to Article 4, fully paid and non-assessable common shares in the capital of the Corporation as presently constituted;

“**Common Share Reorganization**” has the meaning set forth in Section 4.1;

“**Confirmation**” has the meaning set forth in Section 3.2(4);

“**Counsel**” means a barrister and/or solicitor or a firm of barristers and/or solicitors retained by the Warrant Agent or retained by the Corporation, which may or may not be counsel for the Corporation;

“**Current Market Price**” of the Common Shares at any date means the weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the 20 consecutive Trading Days ending five (5) days prior to such date on the Exchange or if on such date the Common Shares are not listed on the Exchange, on such stock exchange upon which such Common Shares are listed and as selected by the directors of the Corporation, or, if such Common Shares are not listed on any stock exchange then on such over-the-counter market as may be selected for such purpose by the directors of the Corporation, and, if no such market exists, then the Current Market Price shall be determined by the directors of the Corporation acting reasonably and in good faith, which determination shall be conclusive. The weighted average price shall be determined by dividing the aggregate sale price of all such shares sold on the said exchange during the said twenty consecutive Trading Days by the total number of such shares so sold;

---

“**Depository**” means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

“**Dividends**” means any dividends paid by the Corporation;

“**Effective Date**” means the date of this Indenture;

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

“**Exchange Rate**” means the number of Warrant Shares subject to the right of purchase under each Warrant;

“**Exercise Date**” means, in relation to a Warrant, the Business Day on which such Warrant is validly exercised or deemed to be validly exercised in accordance with Article 3 hereof;

“**Exercise Notice**” has the meaning set forth in Section 3.2(1);

“**Exercise Price**” at any time means the price at which a whole Warrant Share may be purchased by the exercise of a whole Warrant, which is initially \$1.50 per Warrant Share, payable in immediately available funds, subject to adjustment in accordance with the provisions of Section 4.1;

“**Expiry Date**” means the date that is sixty-two (62) months from the date of issue of the Warrant;

“**Expiry Time**” means 4:30 p.m. (Toronto time) on the Expiry Date;

“**Extraordinary Resolution**” has the meaning set forth in Section 7.11(1);

“**Internal Procedures**” means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Warrant Agent’s internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent;

“**Issue Date**” means the date of issuance of the Warrants by the Corporation;

“**Offering**” has the meaning set forth in the preamble hereto;

“**person**” means an individual, body corporate, partnership, trust, warrant agent, executor, administrator, legal representative or any unincorporated organization;

“**register**” means the one set of records and accounts maintained by the Warrant Agent pursuant to Section 2.9:

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“**Registered Warrantholders**” means the persons who are registered owners of Warrants as such names appear on the register, and for greater certainty, shall include the Depository as well as the holders of Uncertificated Warrants appearing on the register of the Warrant Agent;

“**Regulation D**” means Regulation D as promulgated by the United States Securities and Exchange Commission under the U.S. Securities Act;

“**Regulation S**” means Regulation S as promulgated by the United States Securities and Exchange Commission under the U.S. Securities Act;

“**Rights Offering**” has the meaning set forth in Section 4.1(b);

“**SEC**” has the meaning set forth in Section 9.15(2);

“**Shareholders**” means holders of Common Shares;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder;

“**this Warrant Indenture**”, “**this Indenture**”, “**this Agreement**”, “**hereto**” “**herein**”, “**hereby**”, “**hereof**” and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions “**Article**”, “**Section**”, “**subsection**” and “**paragraph**” followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

“**Trading Day**” means, with respect to the Exchange, or such other stock exchange upon which the Common Shares are listed, a day on which such exchange is open for the transaction of business and with respect to another exchange or an over-the-counter market means a day on which such exchange or market is open for the transaction of business;

“**Uncertificated Warrant**” means any Warrant which is not evidenced by a Warrant Certificate;

“**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

“**Units**” means the units in the capital of the Corporation, each entitling the holder to receive one Common Share and one-half of one Warrant;

“**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended;

“**U.S. Person**” has the meaning set forth in Rule 902(k) of Regulation S;

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended;

“**U.S. Warrantholder**” means any Registered Warrantholder that is a U.S. Person, acquired Warrants in the United States or for the account or benefit of any U.S. Person or Person in the United States;

“**Warrant Agency**” means the principal office of the Warrant Agent in the City of Calgary, Alberta or such other place as may be designated in accordance with Section 3.5;

---

**“Warrant Agent”** means Odyssey Trust Company, in its capacity as warrant agent of the Warrants, or its successors from time to time;

**“Warrant Certificate”** means a certificate, substantially in the form set forth in Schedule “A” hereto, to evidence those Warrants that will be evidenced by a certificate;

**“Warrant Shares”** has the meaning, subject to Article 4, set forth in the preambles hereto;

**“Warrantholders”**, or **“holders”** without reference to Warrants, means the warrantholders as and in respect of Warrants registered in the name of the Depository and includes owners of Warrants who beneficially hold securities entitlements in respect of the Warrants through a Book Entry Participant or means, at a particular time, the persons entered in the register hereinafter mentioned as holders of Warrants outstanding at such time;

**“Warrantholders’ Request”** means an instrument signed in one or more counterparts by Registered Warrantholders entitled to acquire in the aggregate not less than 50% of the aggregate number of Warrant Shares which could be acquired pursuant to all Warrants then unexercised and outstanding, requesting the Warrant Agent to take some action or proceeding specified therein;

**“Warrants”** means the Common Share purchase warrants created by, authorized by and issuable under this Indenture, to be issued and countersigned hereunder as a Warrant Certificate and/or Uncertificated Warrant held through the book entry registration system on a no certificate issued basis, entitling the holder or holders thereof to purchase up to 110,000,000 Warrant Shares (subject to adjustment as herein provided) at the Exercise Price prior to the Expiry Time and, where the context so requires, also means the warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant; and

**“written order of the Corporation”**, **“written request of the Corporation”**, **“written consent of the “Corporation”** and **“certificate of the Corporation”** mean, respectively, a written order, request, consent and certificate signed in the name of the Corporation by any two duly authorized signatories of the Corporation and may consist of one or more instruments so executed.

## **Section 1.2    Gender and Number.**

Words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa.

## **Section 1.3    Headings, Etc.**

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Warrants.

## **Section 1.4    Day not a Business Day.**

If any day on or before which any action or notice is required to be taken or given hereunder is not a Business Day, then such action or notice shall be required to be taken or given on or before the requisite time on the next succeeding day that is a Business Day.

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**Section 1.5 Time of the Essence.**

Time shall be of the essence in this Indenture and each Warrant.

**Section 1.6 Monetary References.**

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of the United States unless otherwise expressed.

**Section 1.7 Applicable Law.**

This Indenture, the Warrants, the Warrant Certificates (including all documents relating thereto, which by common accord have been and will be drafted in English) shall be construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts. Each of the parties hereto, which shall include the Warrantholders, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia with respect to all matters arising out of this Indenture and the transactions contemplated herein.

**ARTICLE 2  
ISSUE OF WARRANTS**

**Section 2.1 Creation and Issue of Warrants.**

A maximum of 110,000,000 Warrants (subject to adjustment as herein provided) are hereby created and authorized to be issued on the Issue Date in accordance with the terms and conditions hereof. Upon receipt of the written direction of the Corporation delivered to the Warrant Agent, the Warrant Agent shall deliver Warrants in certificated or uncertificated form pursuant to Section 2.5 hereof to Registered Warrantholders and record the name of the Registered Warrantholders on the Warrant register. Registration of interests in Warrants held by the Depository may be evidenced by a position appearing on the register for Warrants of the Warrant Agent for an amount representing the aggregate number of such Warrants outstanding from time to time.

**Section 2.2 Terms of Warrants.**

- (1) Subject to the applicable conditions for exercise set out in Article 3 having been satisfied and subject to adjustment in accordance with Section 4.1, each whole Warrant shall entitle each Warrantholder thereof, upon exercise at any time after the applicable Issue Date and prior to the Expiry Time, to acquire one Warrant Share upon payment of the Exercise Price.
  - (2) No fractional Warrants shall be issued or otherwise provided for hereunder and Warrants may only be exercised in a sufficient number to acquire whole numbers of Warrant Shares. Any fractional Warrants shall be rounded down to the nearest whole number and no consideration shall be paid for any such fractional Warrant.
  - (3) Each whole Warrant shall entitle the holder thereof to such other rights and privileges as are set forth in this Indenture.
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- (4) The number of Warrant Shares which may be purchased pursuant to the Warrants and the Exercise Price therefor shall be adjusted upon the events and in the manner specified in Section 4.1.
- (5) Neither the Corporation nor the Warrant Agent shall have any obligation to deliver Warrant Shares upon the exercise of any Warrant if the person to whom such shares are to be delivered is a resident of a country or political subdivision thereof in which the Warrant Shares may not lawfully be issued pursuant to applicable securities legislation. The Corporation or the Warrant Agent may require any person to provide proof of an applicable exemption from such securities legislation to the Corporation and Warrant Agent before Warrant Shares are delivered pursuant to the exercise of any Warrant.

**Section 2.3 Warrantholder not a Shareholder.**

Except as may be specifically provided herein, nothing in this Indenture or in the holding of a Warrant Certificate, entitlement to a Warrant or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to Dividends and other allocations.

**Section 2.4 Warrants to Rank *Pari Passu*.**

All Warrants shall rank equally and without preference over each other, whatever may be the actual date of issue thereof.

**Section 2.5 Form of Warrants, Warrant Certificates.**

- (1) The Warrants may be issued in both certificated and uncertificated form. Each Warrant originally issued to a U.S. Warrantholder, if any, will be evidenced in certificated form only and bear the applicable legends as set forth in Schedule “A” hereto. All Warrants issued in certificated form shall be evidenced by a Warrant Certificate (including all replacements issued in accordance with this Indenture), substantially in the form and bearing the applicable legends as set out in Schedule “A” hereto, which shall be dated as of the Issue Date, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions. All Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.6.
  - (2) Each Warrantholder by purchasing such Warrant acknowledges and agrees that the terms and conditions set forth in the form of the Warrant Certificate set out in Schedule “A” hereto shall apply to all Warrants and Warrantholders regardless of whether such Warrants are issued in certificated or uncertificated form or whether such Warrantholders are Registered Warrantholders or owners of Warrant who beneficially hold security entitlements in respect of the Warrants through a Depository.
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**Section 2.6 Book Entry Warrants.**

- (1) Reregistration of beneficial interests in and transfers of Warrants held by the Depository shall be made only through the book entry registration system and no Warrant Certificates shall be issued in respect of such Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time. Except as provided in this Section 2.6, owners of beneficial interests in any CDS Global Warrants shall not be entitled to have Warrants registered in their names and shall not receive or be entitled to receive Warrants in definitive form or to have their names appear in the register referred to in Section 2.9 herein. Notwithstanding any terms set out herein, Warrants held in the name of the Depository having any legend set forth in Section 2.8 herein and may only be held in the form of Uncertificated Warrants with the prior consent of the Warrant Agent and in accordance Internal Procedures of the Warrant Agent.
- (2) Notwithstanding any other provision in this Indenture, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of any CDS Global Warrants in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Warrants or a nominee thereof unless:
  - (a) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Entry Warrants and the Corporation is unable to locate a qualified successor;
  - (b) the Corporation determines that the Depository is no longer willing, able or qualified to properly discharge its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;
  - (c) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;
  - (d) the Corporation determines that the Warrants shall no longer be held as Book Entry Warrants through the Depository;
  - (e) such right is required by Applicable Legislation, as determined by the Corporation and the Corporation's Counsel;
  - (f) the Warrant is to be Authenticated to or for the account or benefit of a person in the United States or a U.S. Person (in which case the Warrant Certificate shall contain the legend set forth in Section 2.8(1), if applicable), if any; or
  - (g) such registration is effected in accordance with the internal procedures of the Depository and the Warrant Agent,

following which, Warrants for those holders requesting the same shall be registered and issued to the beneficial owners of such Warrants or their nominees as directed by the holder. The Corporation shall provide a certificate executed by an officer of the Corporation giving notice to the Warrant Agent of the occurrence of any event outlined in this Section 2.6(2).

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- (3) Subject to the provisions of this Section 2.6, any exchange of CDS Global Warrants for Warrants which are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of Section 2.11, *mutatis mutandis*. All such Warrants issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants shall direct and shall be entitled to the same benefits and be subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Warrants) as the CDS Global Warrants or portion thereof surrendered upon such exchange.
  - (4) Every Warrant that is Authenticated upon registration or transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.
  - (5) Notwithstanding anything to the contrary in this Indenture, subject to Applicable Legislation, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.
  - (6) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Participants and between such Book Entry Participants and the beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Participant in accordance with the rules and procedures of the Depository.
  - (7) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:
    - (a) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);
    - (b) maintaining, supervising or reviewing any records of the Depository or any Book Entry Participant relating to any such interest; or
    - (c) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Participant.
  - (8) The Corporation may terminate the application of this Section 2.6 in its sole discretion in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a Person other than the Depository.
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**Section 2.7 Warrant Certificate.**

- (1) For Warrants issued in certificated form, the form of certificate representing such Warrants shall be substantially as set out in Schedule “A” hereto or such other form as is authorized from time to time by the Warrant Agent. Each Warrant Certificate shall be Authenticated on behalf of the Warrant Agent. Each Warrant Certificate shall be signed by any one duly authorized signatory of the Corporation; whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Warrant Certificate which has one signature duly executed by the Corporation as hereinbefore provided shall be valid notwithstanding that the signatory whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such Warrant Certificate. The Warrant Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.
  - (2) The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.
  - (3) Any Warrant Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Indenture and Applicable Legislation, validly entitle the holder to acquire Warrant Shares, notwithstanding that the form of such Warrant Certificate may not be in the form currently required by this Indenture.
  - (4) No Warrant shall be considered issued or shall be valid or obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by the Warrant Agent. Authentication by the Warrant Agent, including by way of entry on the register, shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of such Warrant Certificates or Uncertificated Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration thereof. Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrants so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.
  - (5) No Warrant Certificate shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by signature by or on behalf of the Warrant Agent substantially in the form of the Warrant set out in Schedule “A” hereto. Such Authentication on any such Warrant Certificate shall be conclusive evidence that such Warrant Certificate is duly Authenticated and is valid and a binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.
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- (6) No Uncertificated Warrant shall be considered issued or shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

**Section 2.8 Legends.**

- (1) Neither the Warrants nor the Warrant Shares have been or will be registered under the U.S. Securities Act or under any United States state securities laws. If required under United States securities laws, Warrant Certificates issued for the benefit or account of a U.S. Warrantholder, including any Warrant required to be withdrawn and certificated pursuant to Section 3.2(4), and each Warrant Certificate issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legends or such variations thereof as the Corporation may prescribe from time to time:

“THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF BY ACQUIRING THESE SECURITIES AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF AGREES FOR THE BENEFIT OF CARBON STREAMING CORPORATION (THE “CORPORATION”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO ODYSSEY TRUST COMPANY TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

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THE SECURITIES EVIDENCED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OR U.S. STATE SECURITIES LAWS. THESE WARRANTS MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THIS SECURITY AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS SECURITY HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LEGISLATION OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that, if the Warrants are being sold outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, this legend may be removed by the transferor providing a declaration to the Warrant Agent in the form set forth in Schedule "C" attached hereto or as the Warrant Agent or the Corporation may prescribe from time to time, and if required by the Warrant Agent, including an opinion of counsel, of recognised standing reasonably satisfactory to the Corporation and the Warrant Agent, that the proposed transfer may be effected without registration under the U.S. Securities Act; provided further, that if the Warrants are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, the legend may be removed by delivering to the Corporation and the Warrant Agent an opinion of counsel, of recognized standing in form and substance satisfactory to the Corporation and the Warrant Agent, acting reasonably, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act.

The Warrant Agent shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the legend set forth above.

- (2) Each CDS Global Warrant, if issued on a certificated basis, originally issued in Canada and held by the Depository, and each CDS Global Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO CARBON STREAMING CORPORATION (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO, OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

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- (3) Each Warrant Certificate originally issued in Canada and each CDS Global Warrant originally issued in Canada and held by the Depository on the date hereof (and each such Warrant Certificate or CDS Global Warrant, as the case may be, issued in exchange therefor or in substitution thereof prior to the date that is four months and a day after the date hereof) shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **[the date which is four months and one day after the Closing Date will be inserted]**.”

WITHOUT PRIOR APPROVAL OF NEO EXCHANGE INC. AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF NEO EXCHANGE INC. OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL **[the date which is four months and one day after the Closing Date will be inserted].”**

- (4) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legend contained in Section 2.8(1), Section 2.8(2)) or Section 2.8 (3), or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Warrant Agent shall be entitled to assume that all transfers are legal and proper.

## **Section 2.9 Register of Warrants**

- (1) The Warrant Agent shall maintain records and accounts concerning the Warrants, whether certificated or uncertificated, which shall contain the information called for below with respect to each Warrant, together with such other information as may be required by law or as the Warrant Agent may elect to record. All such information shall be kept in one set of accounts and records which the Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Warrants. The information to be entered for each account in the register of Warrants at any time shall include (without limitation):
- (a) the name and address of the Registered Warrantholder, the date of Authentication thereof and the number of Warrants;
  - (b) whether such Warrant is a Warrant Certificate or an Uncertificated Warrant and, if a Warrant Certificate, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Warrant, the unique number or code assigned thereto if any;
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- (c) whether such Warrant has been cancelled; and
- (d) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered.

The register shall be available for inspection by the Corporation and or any Warrantholder during the Warrant Agent's regular business hours on a Business Day and upon payment to the Warrant Agent of its reasonable fees. Any Warrantholder exercising such right of inspection shall first provide an affidavit in form satisfactory to the Corporation and the Warrant Agent stating the name and address of the Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Warrantholders or to influence the voting of Warrantholders at any meeting of Warrantholders.

- (2) Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably (a) consented to the foregoing authority of the Warrant Agent to make such minor error corrections and (b) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent), sustained by the Corporation or the Warrant Agent as a proximate result of such error if but only if and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, that no person who is a *bona fide* purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

#### **Section 2.10      Issue in Substitution for Warrant Certificates Lost, etc.**

- (1) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue and thereupon the Warrant Agent shall certify and deliver, a new Warrant Certificate of like tenor, and bearing the same legend, if applicable, as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Warrant Agent and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.
  - (2) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issuance thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent, in their sole discretion, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent, in their sole discretion, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.
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**Section 2.11 Exchange of Warrant Certificates.**

- (1) Any one or more Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent (including compliance with applicable securities legislation), be exchanged for one or more other Warrant Certificates representing the same aggregate number of Warrants, and bearing the same legend, if applicable, as represented by the Warrant Certificate or Warrant Certificates so exchanged.
- (2) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate from the holder (or such other instructions, in form satisfactory to the Warrant Agent), tendered for exchange shall be surrendered to the Warrant Agency and cancelled by the Warrant Agent.
- (3) Warrant Certificates exchanged for Warrant Certificates that bear the legend set forth in Section 2.8(1) shall bear the same legend.

**Section 2.12 Transfer and Ownership of Warrants.**

- (1) The Warrants may only be transferred on the register kept by the Warrant Agent at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent only upon (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificates representing the Warrants to be transferred together with a duly executed transfer form as set forth in Schedule “A” attached hereto, (b) in the case of Book Entry Warrants, in accordance with procedures prescribed by the Depository under the book entry registration system, and (c) upon compliance with:

- (i) the conditions herein;
- (ii) such reasonable requirements as the Warrant Agent may prescribe; and
- (iii) all applicable securities legislation and requirements of regulatory authorities,

and such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee of a Warrant Certificate, a Warrant Certificate and to the transferee of an Uncertificated Warrant, an Uncertificated Warrant, or the Warrant Agent shall Authenticate and deliver a Warrant Certificate upon request that part of the CDS Global Warrant be certificated. Transfers within the systems of the Depository are not the responsibility of the Warrant Agent and will not be noted on the register maintained by the Warrant Agent.

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- (2) If a Warrant Certificate tendered for transfer bears the legend set forth in Section 2.8(1), the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and such securities may be transferred only (A) to the Corporation, (B) outside the United States in accordance with Rule 904 of Regulation S, if available, and in compliance with applicable local securities laws and regulations (C) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144, if available, and in compliance with applicable state securities laws, or (D) with the prior written consent of the Corporation pursuant to another exemption from registration under the U.S. Securities Act and applicable state securities laws after first providing to the Corporation and the Warrant Agent (1) in the case of a transfer pursuant to clause B, a declaration in the form of Schedule “C” hereto together with such additional documentation as the Corporation and the Warrant Agent may reasonably prescribe, and (2) in the case of a transfer pursuant to clause C or clause D, an opinion of U.S. counsel of recognized standing in form and substance satisfactory to the Corporation and the Warrant Agent that the offer, sale, pledge or other transfer does not require registration under the U.S. Securities Act or applicable state securities laws and that such legend may be removed. Warrants and, if applicable, Warrant Shares, issued to, or for the account or benefit of, a U.S. Person or person in the United States (and any certificates issued in replacement thereof or in substitution therefor) must be issued only in individually certificated form.
- (3) Subject to the provisions of this Indenture, Applicable Legislation and applicable law, the Warrantholder shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Warrant Shares by the Corporation upon the exercise of Warrants in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

### **Section 2.13 Cancellation of Surrendered Warrants.**

All Warrant Certificates surrendered pursuant to Article 3 shall be cancelled by the Warrant Agent and upon such circumstances all such Uncertificated Warrants shall be deemed cancelled and so noted on the register by the Warrant Agent. Upon request by the Corporation, the Warrant Agent shall furnish to the Corporation a cancellation certificate identifying the Warrant Certificates so cancelled, the number of Warrants evidenced thereby, the number of Warrant Shares, if any, issued pursuant to such Warrants and the details of any Warrant Certificates issued in substitution or exchange for such Warrant Certificates cancelled.

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**ARTICLE 3  
EXERCISE OF WARRANTS**

**Section 3.1 Right of Exercise.**

Subject to the provisions hereof, each Registered Warrantholder may exercise the right conferred on such holder to subscribe for and purchase one Warrant Share for each Warrant after the Issue Date and prior to the Expiry Time and in accordance with the conditions herein.

**Section 3.2 Warrant Exercise.**

- (1) Other than Warrants held by the Depository, Registered Warrantholders of Warrant Certificates who wish to exercise the Warrants held by them in order to acquire Warrant Shares must complete the exercise form (the “**Exercise Notice**”) attached to the Warrant Certificate(s) which form is attached hereto as Schedule “B”, which may be amended by the Corporation with the consent of the Warrant Agent, if such amendment does not, in the reasonable opinion of the Corporation and the Warrant Agent, which may be based on the advice of Counsel, materially and adversely affect the rights, entitlements and interests of the Warrantholders, and deliver such certificate(s), the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Warrants represented by a Warrant Certificate shall be deemed to be surrendered upon personal delivery of such certificate, Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.
  - (2) In addition to completing the Exercise Notice attached to the Warrant Certificate(s), a Warrantholder who is a person in the United States, a U.S. Person, a person exercising for the account or benefit of a U.S. Person, or person requesting delivery of the Warrant Shares issuable upon the exercise of the Warrants in the United States must provide any other information, certifications or other material required by the Exercise Notice to be delivered in connection with the exercise of Warrants
  - (3) Other than Warrants held by the Depository, a Registered Warrantholder of Uncertificated Warrants evidenced by a security entitlement in respect of Warrants must complete the Exercise Notice and deliver the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Uncertificated Warrants shall be deemed to be surrendered upon receipt of the Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.
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- (4) A beneficial owner of Uncertificated Warrants evidenced by a security entitlement in respect of Warrants in the book entry registration system who desires to exercise his or her Warrants must do so by causing a Book Entry Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment for the aggregate Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (a "**Confirmation**") in a manner acceptable to the Warrant Agent, including by electronic means through a book based registration system, including CDSX. An electronic exercise of the Warrants initiated by the Book Entry Participant through a book based registration system, including CDSX, shall constitute a representation to both the Corporation and the Warrant Agent that the beneficial owner at the time of exercise of such Warrants (a) is not in the United States; (b) is not a U.S. Person and is not exercising such Warrants on behalf of a U.S. Person or a person in the United States; and (c) did not execute or deliver the notice of the owner's intention to exercise such Warrants in the United States. If the Book Entry Participant is not able to make or deliver the foregoing representations by initiating the electronic exercise of the Warrants, then such Warrants shall be withdrawn from the book based registration system, including CDSX, by the Book Entry Participant and an individually registered Warrant Certificate shall be issued by the Warrant Agent to such beneficial owner or Book Entry Participant and the exercise procedures set forth in Section 3.2(1) shall be followed.
  - (5) Payment representing the aggregate Exercise Price must be provided to the appropriate office of the Book Entry Participant in a manner acceptable to it. A notice in form acceptable to the Book Entry Participant and payment from such beneficial holder should be provided to the Book Entry Participant sufficiently in advance so as to permit the Book Entry Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Warrant Agent prior to the Expiry Time. The Depository will initiate the exercise by way of the Confirmation and forward the aggregate Exercise Price electronically to the Warrant Agent and the Warrant Agent will execute the exercise by issuing to the Depository through the book entry registration system the Warrant Shares to which the exercising Warrantholder is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the entitlement holder exercising the Warrants and/or the Book Entry Participant exercising the Warrants on its behalf.
  - (6) By causing a Book Entry Participant to deliver notice to the Depository, a Warrantholder shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Book Entry Participant to act as his or her exclusive settlement agent with respect to the exercise and the receipt of Warrant Shares in connection with the obligations arising from such exercise.
  - (7) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no force and effect and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Book Entry Participant to exercise or to give effect to the settlement thereof in accordance with the Warrantholder's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Book Entry Participant or the Warrantholder.
  - (8) The Exercise Notice referred to in this Section 3.2 shall be signed by the Registered Warrantholder, or its executors or administrators or other legal representatives or an attorney of the Registered Warrantholder, duly appointed by an instrument in writing satisfactory to the Warrant Agent but such Exercise Notice need not be executed by the Depository.
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- (9) Any exercise referred to in this Section 3.2 shall require that the entire Exercise Price for Warrant Shares subscribed must be paid at the time of subscription and such Exercise Price and original Exercise Notice executed by the Registered Warrantholder or the Confirmation from the Depository must be received by the Warrant Agent prior to the Expiry Time.
- (10) Warrants may only be exercised pursuant to this Section 3.2 by or on behalf of a Registered Warrantholder, as applicable, who makes the certifications set forth on the Exercise Notice set out in Schedule “B” or as provided herein.
- (11) If the form of Exercise Notice set forth in the Warrant Certificate shall have been amended, the Corporation shall cause the amended Exercise Notice to be forwarded to all Registered Warrantholders.
- (12) Exercise Notices and Confirmations must be delivered to the Warrant Agent at any time during the Warrant Agent’s actual business hours on any Business Day prior to the Expiry Time. Any Exercise Notice or Confirmations received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day.
- (13) Any Warrant with respect to which a Confirmation or Exercise Notice is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrants shall terminate and be cancelled.

### **Section 3.3 Prohibition on Exercise by U.S. Persons; Legended Certificates**

- (1) The Warrants have not been and will not be registered under the U.S. Securities Act or any United States state securities laws and may not be exercised in the United States or by or on behalf of, or for the account or benefit of, a U.S. Persons or a person in the United States unless an exemption from such registration requirements is available.
- (2) Notwithstanding Section 3.3(1), may be exercised in the United States or by or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, provided that the Warrants are exercised in accordance with box B, C or D of the Exercise Notice and the Corporation has approved the issuance of the Warrant Shares.
- (3) Certificates representing Warrant Shares issued upon the exercise of Warrants, pursuant to Box B, C or D of the Exercise Form attached as Schedule “B”, and which are issued and delivered pursuant to Section 3.3(2) shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF BY ACQUIRING THESE SECURITIES AGREES FOR THE BENEFIT OF CARBON STREAMING CORPORATION (THE “CORPORATION”) THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO CARBON STREAMING CORPORATION (THE “CORPORATION”) (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C) (2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO ODYSSEY TRUST COMPANY TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

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- (4) Certificates representing Warrant Shares issued upon the exercise of Warrant Certificates (and issued in substitution or exchange therefor) prior to the date that is four months and one day after the date hereof shall bear the following legends or such variations thereof as the Corporation may prescribe from time to time:

**“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [the date which is four months and one day after the Closing Date will be inserted].**

**WITHOUT PRIOR APPROVAL OF NEO EXCHANGE INC. AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF NEO EXCHANGE INC. OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [the date which is four months and one day after the Closing Date will be inserted].”**

**Section 3.4      Transfer Fees and Taxes.**

If any of the Warrant Shares subscribed for are to be issued to a person or persons other than the Registered Warrantholder, the Registered Warrantholder shall execute the form of transfer and will comply with such reasonable requirements as the Warrant Agent may stipulate and will pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes and the Corporation will not be required to issue or deliver certificates evidencing Warrant Shares unless or until such Warrantholder shall have paid to the Corporation or the Warrant Agent on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation and the Warrant Agent that such tax has been paid or that no tax is due.

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**Section 3.5 Warrant Agency.**

To facilitate the exchange, transfer or exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Warrant Agency, as the agency at which Warrants may be surrendered for exchange or transfer or at which Warrants may be exercised and the Warrant Agent has accepted such appointment. The Corporation may from time to time designate alternate or additional places as the Warrant Agency (subject to the Warrant Agent's prior approval) and will give notice to the Warrant Agent of any proposed change of the Warrant Agency. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. The Warrant Agent will from time to time when requested to do so by the Corporation or any Registered Warrantholder, upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Registered Warrantholders showing the number of Warrants held by each such Registered Warrantholder.

**Section 3.6 Effect of Exercise of Warrant Certificates.**

- (1) Upon the exercise of Warrant Certificates pursuant to and in compliance with Section 3.2 and subject to Section 3.3 and Section 3.4, the Warrant Shares to be issued pursuant to the Warrants exercised shall be deemed to have been issued and the person or persons to whom such Warrant Shares are to be issued shall be deemed to have become the holder or holders of such Warrant Shares on the Exercise Date unless the register shall be closed on such date, in which case the Warrant Shares subscribed for shall be deemed to have been issued and such person or persons deemed to have become the holder or holders of record of such Warrant Shares, on the date on which such register is reopened. It is hereby understood that in order for persons to whom Warrant Shares are to be issued, to become holders of Warrant Shares on record on the Exercise Date, beneficial holders must commence the exercise process sufficiently in advance so that the Warrant Agent is in receipt of all items of exercise at least one Business Day prior to such Exercise Date.
- (2) Within five Business Days after the Exercise Date with respect to a Warrant, the Warrant Agent shall use commercially reasonable efforts to cause to be delivered or mailed to the person or persons in whose name or names the Warrant is registered or, if so specified in writing by the holder, cause to be delivered to such person or persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Warrant Shares subscribed for, or any other appropriate evidence of the issuance of Warrant Shares to such person or persons in respect of Warrant Shares issued under the book entry registration system.

**Section 3.7 Partial Exercise of Warrants; Fractions.**

- (1) The holder of any Warrants may exercise his right to acquire a number of whole Warrant Shares less than the aggregate number which the holder is entitled to acquire. In the event of any exercise of a number of Warrants less than the number which the holder is entitled to exercise, the holder of Warrants upon such exercise shall, in addition, be entitled to receive, without charge therefor, a new Warrant Certificate(s), bearing the same legend, if applicable, or other appropriate evidence of Warrants, in respect of the balance of the Warrants held by such holder and which were not then exercised.
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- (2) Notwithstanding anything herein contained including any adjustment provided for in Section 4.1, the Corporation shall not be required, upon the exercise of any Warrants, to issue fractions of Warrant Shares. Warrants may only be exercised in a sufficient number to acquire whole numbers of Warrant Shares. Any fractional Warrant Shares shall be rounded down to the nearest whole number and the holder of such Warrants shall not be entitled to any compensation in respect of any fractional Warrant Shares which is not issued.

### **Section 3.8 Expiration of Warrants.**

Immediately after the Expiry Time, all rights under any Warrant in respect of which the right of acquisition provided for herein shall not have been exercised shall cease and terminate and each Warrant shall be void and of no further force or effect.

### **Section 3.9 Accounting and Recording.**

- (1) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised, and shall promptly forward to the Corporation (or into an account or accounts of the Corporation with the bank or trust company designated by the Corporation for that purpose), all monies received by the Warrant Agent on the subscription of Warrant Shares through the exercise of Warrants. All such monies and any securities or other instruments, from time to time received by the Warrant Agent, shall be received in trust for, and shall be segregated and kept apart by the Warrant Agent, the Warrantheolders and the Corporation as their interests may appear
- (2) The Warrant Agent shall record the particulars of Warrants exercised, which particulars shall include the names and addresses of the persons who become holders of Warrant Shares on exercise and the Exercise Date, in respect thereof. The Warrant Agent shall provide such particulars in writing to the Corporation within five Business Days of any request by the Corporation therefor.

### **Section 3.10 Securities Restrictions.**

Notwithstanding anything herein contained, Warrant Shares will be issued upon exercise of a Warrant only in compliance with the securities laws of any applicable jurisdiction.

## **ARTICLE 4 ADJUSTMENT OF NUMBER OF WARRANT SHARES AND EXERCISE PRICE**

### **Section 4.1 Adjustment of Number of Warrant Shares and Exercise Price.**

The subscription rights in effect under the Warrants for Warrant Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:

- (a) if, at any time during the Adjustment Period, the Corporation shall:
    - (i) subdivide, re-divide or change its outstanding Common Shares into a greater number of Common Shares;
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- (ii) reduce, combine or consolidate its outstanding Common Shares into a lesser number of Common Shares; or
- (iii) issue Common Shares or securities exchangeable for, exercisable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants or any outstanding options),

(any of such events in Section 4.1(a)(i), (ii) or (iii) being called a “**Common Share Reorganization**”) then the Exercise Price in effect on the effective date or record date of such subdivision, re-division, change, reduction, combination, consolidation or distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Share that would have been outstanding had such securities been exchanged for, exercised for, or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this Section 4.1(a) shall occur. Upon any adjustment of the Exercise Price pursuant to Section 4.1(a), the Exchange Rate shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

- (b) if and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible, exercisable or exchangeable into Common Shares) at a price per Common Share (or having a conversion, exercise or exchange price per Common Share) less than 95% of the Current Market Price on such record date (a “**Rights Offering**”), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion, exercise or exchange price of the convertible, exercisable, or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible, exercisable or exchangeable securities so offered are convertible, exercisable or exchangeable; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible, exercisable, or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(b), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this Section 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;
- (c) if and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Common Shares), (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into, exercisable or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any property or other assets then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined, in good faith, by the directors of the Corporation (whose determination shall be conclusive), of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price; and Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date

had not been fixed. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

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- (d) if and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 4.1(a) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Registered Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, tender offer or exchange offer, change, exchange, capital reorganization, consolidation, amalgamation, arrangement or merger, transfer, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Warrant Shares that prior to such effective date the Registered Warrantholder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation, arrangement or consolidation, or to which such transfer, sale or conveyance may be made, as the case may be, that such Registered Warrantholder would have been entitled to receive on such reclassification, tender offer or exchange offer, change, exchange, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Registered Warrantholder had been the registered holder of the number of Warrant Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Warrant Agent, relying on advice of Counsel, to give effect to or to evidence the provisions of this Section 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, tender offer or exchange offer, change, exchange, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Registered Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Registered Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Section 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive reclassifications, tender offers or exchange offers, changes, exchanges, capital reorganizations, amalgamations, consolidations, arrangements, mergers, transfers, sales or conveyances;
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- (e) in any case in which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Registered Warrantholder of any Warrant exercised after the record date and prior to completion of such event the additional Warrant Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Registered Warrantholder an appropriate instrument evidencing such Registered Warrantholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such Registered Warrantholder would, but for the provisions of this Section 4.1(e), have become the holder of record of such additional Common Shares pursuant to Section 4.1;
  - (f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Registered Warrantholders of the outstanding Warrants receive, subject to any required stock exchange or regulatory approval, the Common Shares or exchangeable, exercisable, or convertible rights referred to in Section 4.1(a)(iii), or the rights, options, or warrants referred to in Section 4.1(b) or the securities, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrant having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;
  - (g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, changes, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect; provided, however, that any adjustments which by reason of this Section 4.1(g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and
  - (h) after any adjustment pursuant to this Section 4.1, the term "**Common Shares**" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Registered Warrantholder is entitled to receive upon the exercise of his Warrant, and the number of Warrant Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Warrant Shares or other property or securities a Registered Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Warrant.
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**Section 4.2 Entitlement to Warrant Shares on Exercise of Warrant.**

All Common Shares or shares of any class or other securities, which a Registered Warrantholder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Warrant Shares which such Registered Warrantholder is entitled to acquire pursuant to such Warrant.

**Section 4.3 No Adjustment for Certain Transactions.**

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or in connection with (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the satisfaction of existing instruments issued at the date hereof.

**Section 4.4 Determination by Independent Firm.**

In the event of any question or dispute arising with respect to the adjustments provided for in this Article 4 such question shall be conclusively determined by an independent firm of chartered public accountants other than the Auditors, who shall have access to all necessary records of the Corporation, and such determination, absent manifest error, shall be binding upon the Corporation, the Warrant Agent, all holders and all other persons interested therein.

**Section 4.5 Proceedings Prior to any Action Requiring Adjustment.**

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Warrant Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Warrant Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

**Section 4.6 Certificate of Adjustment.**

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.1, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate may be supported by a certificate of the Corporation's Auditors verifying such calculation if requested by the Warrant Agent at their discretion. The Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation or of the Corporation's Auditor and any other document filed by the Corporation pursuant to this Article 4 for all purposes.

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**Section 4.7 Notice of Special Matters.**

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Registered Warrantholders of its intention to fix a record date that is prior to the Expiry Date for any matter for which an adjustment may be required pursuant to Section 4.1. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case not less than 14 days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the Registered Warrantholders of such adjustment computation.

**Section 4.8 No Action after Notice.**

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the Registered Warrantholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Section 4.6 and Section 4.7.

**Section 4.9 Other Action.**

If the Corporation, after the date hereof, shall take any action affecting the Common Shares other than action described in Section 4.1, which in the reasonable opinion of the directors of the Corporation would materially affect the rights of Registered Warrantholders, the Exercise Price and/or Exchange Rate, the number of Warrant Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Registered Warrantholders in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained.

**Section 4.10 Protection of Warrant Agent.**

The Warrant Agent shall not:

- (a) at any time be under any duty or responsibility to any Registered Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
  - (b) be accountable with respect to the validity or value (or the kind or amount) of any Warrant Shares or of any other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Warrant;
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- (c) be responsible for any failure of the Corporation to issue, transfer or deliver Warrant Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and
- (d) incur any liability or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

**Section 4.11 Participation by Warrantholder.**

No adjustments shall be made pursuant to this Article 4 if the Registered Warrantholders are entitled to participate in any event described in this Article 4 on the same terms, mutatis mutandis, as if the Registered Warrantholders had exercised their Warrants prior to, or on the effective date or record date of, such event and any such participation will be subject to the prior approval of the Exchange.

**ARTICLE 5  
RIGHTS OF THE CORPORATION AND COVENANTS**

**Section 5.1 Optional Purchases by the Corporation.**

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, if any, the Corporation may from time to time purchase by private contract or otherwise any of the Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors of the Corporation, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. In the case of Warrant Certificates, Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent and reflected accordingly on the register of Warrants. In the case of Uncertificated Warrants, the Warrants purchased pursuant to this Section 5.1 shall be reflected accordingly on the register of Warrants and in accordance with procedures prescribed by the Depository under the book entry registration system. No Warrants shall be issued in replacement thereof.

**Section 5.2 General Covenants.**

The Corporation covenants with the Warrant Agent that so long as any Warrants remain outstanding:

- (a) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Warrant Shares upon the exercise of the Warrants;
  - (b) it will cause the Warrant Shares from time to time acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrants and the terms hereof;
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- (c) upon payment of the aggregate Exercise Price, all Warrant Shares which shall be issued upon exercise of the right to acquire provided for herein shall be fully paid and non-assessable, free and clear of all encumbrances;
- (d) it will use reasonable commercial efforts to maintain its existence and carry on its business in the ordinary course;
- (e) it will use reasonable commercial efforts to ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Warrant Shares issuable on the exercise of the Warrants) continue to be or are listed and posted for trading on the Exchange (or such other Canadian stock exchange acceptable to the Corporation), provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the Exchange, so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the Exchange;
- (f) it will make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer not in default in each of the provinces and other Canadian jurisdictions where it is or becomes a reporting issuer;
- (g) generally, it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Indenture; and
- (h) it will promptly notify the Warrant Agent and the Warrantholders in writing of any default under the terms of this Warrant Indenture which remains unrectified for more than five days following its occurrence.

#### **Section 5.3      Warrant Agent's Remuneration and Expenses.**

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of its duties hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section shall survive the resignation or removal of the Warrant Agent and/or the termination of this Indenture.

#### **Section 5.4      Performance of Covenants by Warrant Agent.**

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Corporation will notify the Warrant agent in writing of such failure and the Warrant Agent may notify the Registered Warrantholders of such failure on the part of the Corporation and may itself perform any of the covenants capable of being performed by it but, subject to Section 9.2, shall be under no obligation to perform said covenants or to notify the Registered Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

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**Section 5.5      Enforceability of Warrants.**

The Corporation covenants and agrees that it is duly authorized to create and issue the Warrants to be issued hereunder and that the Warrants, when issued and Authenticated as herein provided, will be valid and enforceable against the Corporation in accordance with the provisions hereof and the terms hereof and that, subject to the provisions of this Indenture, the Corporation will cause the Warrant Shares from time to time acquired upon exercise of Warrants issued under this Indenture to be duly issued and delivered in accordance with the terms of this Indenture.

**ARTICLE 6  
ENFORCEMENT**

**Section 6.1      Suits by Registered Warrantholders.**

All or any of the rights conferred upon any Registered Warrantholder by any of the terms of this Indenture may be enforced by the Registered Warrantholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Registered Warrantholders.

**Section 6.2      Suits by the Corporation.**

The Corporation shall have the right to enforce full payment of the Exercise Price of all Warrant Shares issued by the Warrant Agent to a Registered Warrantholder hereunder and shall be entitled to demand such payment from the Registered Warrantholder or alternatively to instruct the Warrant Agent to cancel the share certificates representing such Warrant Shares and amend the securities register of the Corporation accordingly.

**Section 6.3      Immunity of Shareholders, etc.**

Subject to Applicable Legislation, the Warrant Agent and, by the acceptance of the Warrants and as part of the consideration for the issue of the Warrants, the Warrantholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, trustee, employee or agent of the Corporation or any successor entity on any covenant, agreement, representation or warranty by the Corporation herein. The obligations hereunder are not personally binding upon, nor shall resort hereunder be had to, the private property of any of the past, present, or future directors of the Corporation, or Shareholders of the Corporation or any of the past, present or future officers, employees or agents of the Corporation, but only the property of the Corporation (or any successor person) shall be bound in respect hereof.

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**Section 6.4 Waiver of Default.**

Upon the happening of any default hereunder:

- (a) the Registered Warrantholders of not less than 51% of the Warrants then outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or
- (b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, on the advice of Counsel, if, in the Warrant Agent's opinion, based on the advice of Counsel, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Warrant Agent or of the Registered Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Registered Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

**ARTICLE 7  
MEETINGS OF REGISTERED WARRANTHOLDERS**

**Section 7.1 Right to Convene Meetings.**

The Warrant Agent may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Registered Warrantholders signing such Warrantholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Registered Warrantholders. If the Warrant Agent fails to so call a meeting within seven days after receipt of such written request of the Corporation or within 30 days after receipt of such Warrantholders' Request and the indemnity and funding given as aforesaid, the Corporation or such Registered Warrantholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Toronto, Ontario or at such other place as may be approved or determined by the Warrant Agent and the Corporation. Any meeting held pursuant to this Article 7 may be done through a virtual or electronic meeting platform, subject to the Warrant Agent's capabilities at the time.

**Section 7.2 Notice.**

At least 21 days' prior written notice of any meeting of Registered Warrantholders shall be given to the Registered Warrantholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Registered Warrantholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Section 7.2.

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**Section 7.3      Chairman.**

An individual (who need not be a Registered Warrantholder) designated in writing by the Warrant Agent shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within fifteen minutes from the time fixed for the holding of the meeting, the Registered Warrantholders present in person or by proxy shall choose an individual present to be chairman.

**Section 7.4      Quorum.**

Subject to the provisions of Section 7.11, at any meeting of the Registered Warrantholders a quorum shall consist of Registered Warrantholder(s) present in person or by proxy and entitled to purchase at least 25% of the aggregate number of Warrant Shares which may be acquired pursuant to all the then outstanding Warrants. If a quorum of the Registered Warrantholders shall not be present within thirty minutes from the time fixed for holding any meeting, the meeting, if summoned by Registered Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not be entitled to acquire at least 25% of the aggregate number of Warrant Shares which may be acquired pursuant to all then outstanding Warrants.

**Section 7.5      Power to Adjourn.**

The chairman of any meeting at which a quorum of the Registered Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

**Section 7.6      Show of Hands.**

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

**Section 7.7      Poll and Voting.**

- (1) On every Extraordinary Resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Registered Warrantholders acting in person or by proxy and entitled to acquire in the aggregate at least 5% of the aggregate number of Warrant Shares which may be acquired pursuant to all the Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll.
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- (2) On a show of hands, every person who is present and entitled to vote, whether as a Registered Warrantholder or as proxy for one or more absent Registered Warrantholders, or both, shall have one vote. On a poll, each Registered Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held or represented by it. A proxy need not be a Registered Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

**Section 7.8 Regulations.**

- (1) The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for the setting of the record date for a meeting for the purpose of determining Registered Warrantholders entitled to receive notice of and to vote at the meeting.
- (2) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Registered Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Registered Warrantholders or proxies of Registered Warrantholders.

**Section 7.9 Corporation and Warrant Agent May be Represented.**

The Corporation and the Warrant Agent, by their respective directors, officers, agents, and employees and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Registered Warrantholders.

**Section 7.10 Powers Exercisable by Extraordinary Resolution.**

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Registered Warrantholders at a meeting shall, subject to the provisions of Section 7.11, have the power exercisable from time to time by Extraordinary Resolution:

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Registered Warrantholders or the Warrant Agent in its capacity as warrant agent hereunder (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the Registered Warrantholders against the Corporation whether such rights arise under this Indenture or otherwise;
  - (b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Registered Warrantholders;
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- (c) to direct or to authorize the Warrant Agent, subject to Section 9.2(2) hereof, to enforce any of the covenants on the part of the Corporation contained in this Indenture or to enforce any of the rights of the Registered Warrantholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;
- (d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture either unconditionally or upon any conditions specified in such Extraordinary Resolution;
- (e) to restrain any Registered Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or to enforce any of the rights of the Registered Warrantholders;
- (f) to direct any Registered Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Registered Warrantholder in connection therewith;
- (g) to assent to any change in or omission from the provisions contained in this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
- (h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant agents to take the place of the Warrant Agent so removed; and
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

**Section 7.11 Meaning of Extraordinary Resolution.**

- (1) The expression “**Extraordinary Resolution**” when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution proposed at a meeting of Registered Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Registered Warrantholders holding at least 25% of the aggregate number of Warrant Shares that may be acquired on exercise of the Warrants and passed by the affirmative votes of Registered Warrantholders holding not less than 66 2/3% of the aggregate number of Warrant Shares that may be acquired on exercise of the Warrants at the meeting and voted on the poll upon such resolution.
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- (2) If, at the meeting at which an Extraordinary Resolution is to be considered, Registered Warrantholders holding at least 25% of the aggregate number of Warrant Shares that may be acquired are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Registered Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 14 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.11(1) shall be an Extraordinary Resolution within the meaning of this Indenture notwithstanding that Registered Warrantholders entitled to acquire at least 25% of the aggregate number of Warrant Shares which may be acquired pursuant to all the then outstanding Warrants are not present in person or by proxy at such adjourned meeting.
- (3) Subject to Section 7.14, votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

#### **Section 7.12 Powers Cumulative.**

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Registered Warrantholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Registered Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

#### **Section 7.13 Minutes.**

Minutes of all resolutions and proceedings at every meeting of Registered Warrantholders shall be made and duly recorded in the books and such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

#### **Section 7.14 Instruments in Writing.**

All actions which may be taken and all powers that may be exercised by the Registered Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised by Registered Warrantholders holding at least 66 2/3% of the aggregate number of the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such Registered Warrantholders in person or by attorney duly appointed in writing, and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

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**Section 7.15 Binding Effect of Resolutions.**

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Registered Warrantholders shall be binding upon all the Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Registered Warrantholders in accordance with Section 7.14 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

**Section 7.16 Holdings by Corporation Disregarded.**

In determining whether Registered Warrantholders holding Warrants evidencing the entitlement to acquire the required number of Warrant Shares are present at a meeting of Registered Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Warrantholders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation shall be disregarded in accordance with the provisions of Section 10.7.

**ARTICLE 8  
SUPPLEMENTAL INDENTURES**

**Section 8.1 Provision for Supplemental Indentures for Certain Purposes.**

From time to time, the Corporation (when authorized by action of the directors of the Corporation) and the Warrant Agent may, subject to the provisions hereof and subject to the prior approval of the Exchange, as need be, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) setting forth any adjustments resulting from the application of the provisions of Article 4;
  - (b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Registered Warrantholders;
  - (c) giving effect to any Extraordinary Resolution passed as provided in Section 7.11;
  - (d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange or quotation system, provided that such provisions are not, in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Registered Warrantholders;
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- (e) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrants, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;
- (f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Registered Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative;
- (g) providing for the issuance of additional Warrants hereunder, including Warrants in excess of the number set out in Section 2.1 and any consequential amendments hereto as may be required by the Warrant Agent relying on the advice of Counsel; and
- (h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the advice of Counsel, the rights of the Warrant Agent and of the Registered Warrantholders are in no way prejudiced thereby.

#### **Section 8.2    Successor Entities.**

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another entity (“**successor entity**”), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

### **ARTICLE 9 CONCERNING THE WARRANT AGENT**

#### **Section 9.1    Trust Indenture Legislation.**

- (1) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.
  - (2) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.
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**Section 9.2 Rights and Duties of Warrant Agent.**

- (1) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own gross negligence, wilful misconduct, bad faith or fraud under this Indenture.
- (2) The Warrant Agent shall not be bound to do or take any act, action or proceeding for the enforcement of any of the obligations of the Company under this Indenture unless and until it shall have received a Warrantholders' Request specifying the act, action or proceeding that the Warrant Agent is requested to take. The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Registered Warrantholders hereunder shall be conditional upon the Registered Warrantholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.
- (3) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Registered Warrantholders, at whose instance it is acting to deposit with the Warrant Agent the Warrant Certificates held by them, for which Warrants the Warrant Agent shall issue receipts.
- (4) Every provision of this Indenture that by its terms relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation.

**Section 9.3 Evidence, Experts and Advisers.**

- (1) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.
  - (2) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Legislation and that the Warrant Agent complies with Applicable Legislation and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.
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- (3) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.
- (4) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent.
- (5) The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of the agency hereof.

#### **Section 9.4 Documents, Monies, etc. Held by Warrant Agent.**

Until released in accordance with this Indenture, any funds received hereunder shall be kept in segregated records of the Warrant Agent and the Warrant Agent shall place the funds in segregated trust accounts of the Warrant Agent at one or more of the Canadian Chartered Banks listed in Schedule 1 of the *Bank Act* (Canada) (“**Approved Bank**”). All amounts held by the Warrant Agent pursuant to this Indenture shall be held by the Warrant Agent for the Corporation and the delivery of the funds to the Warrant Agent shall not give rise to a debtor- creditor or other similar relationship. The amounts held by the Warrant Agent pursuant to this Indenture are at the sole risk of the Corporation and, without limiting the generality of the foregoing, the Warrant Agent shall have no responsibility or liability for any diminution of the funds which may result from any deposit made with an Approved Bank pursuant to this section, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default). The parties hereto acknowledge and agree that the Warrant Agent will have acted prudently in depositing the funds at any Approved Bank, and that the Warrant Agent is not required to make any further inquiries in respect of any such bank. The Warrant Agent may hold cash balances constituting part or all of such monies and need not, invest the same; the Warrant Agent shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.

#### **Section 9.5 Actions by Warrant Agent to Protect Interest.**

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Registered Warrantholders.

#### **Section 9.6 Warrant Agent Not Required to Give Security.**

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the agency and powers of this Indenture or otherwise in respect of the premises.

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**Section 9.7    Protection of Warrant Agent.**

By way of supplement to the provisions of any law for the time being relating to the Warrant Agent it is expressly declared and agreed as follows:

- (a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in the Authentication of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;
  - (b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
  - (c) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof;
  - (d) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of its covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;
  - (e) the Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the “**Indemnified Parties**”) from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties’ duties, or any other services that the Warrant Agent may provide in connection with or in any way relating to this Indenture. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that the Corporation shall not be required to indemnify the Indemnified Parties in the event of the gross negligence or wilful misconduct of the Warrant Agent, and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture;
  - (f) notwithstanding the foregoing or any other provision of this Indenture, any liability of the Warrant Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Warrant Agent under this Indenture in the 12 months immediately prior to the Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (i) breach by any other party of securities law or other rule of any securities regulatory authority, (ii) lost profits or (iii) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages. Notwithstanding any other provision hereof, this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture; and
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- (g) If any of the funds provided to the Warrant Agent hereunder are received by it in the form of an uncertified cheque or bank draft, the Warrant Agent shall delay the release of such funds and the related Warrant Shares until such uncertified cheque has cleared the financial institution upon which the same is drawn.

**Section 9.8 Replacement of Warrant Agent; Successor by Merger.**

- (1) The Warrant Agent may resign its agency and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than 60 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Registered Warrantholders by Extraordinary Resolution, and in accordance with Section 7.10(h), shall have power at any time to remove the existing Warrant Agent and to appoint a new warrant agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless a new warrant agent has already been appointed by the Registered Warrantholders; failing such appointment by the Corporation, the retiring Warrant Agent or any Registered Warrantholder may apply to a judge of the Province of British Columbia on such notice as such judge may direct, for the appointment of a new warrant agent; but any new warrant agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Registered Warrantholders. Any new warrant agent appointed under any provision of this Section 9.8 shall be an entity authorized to carry on the business of a trust company in the Province of British Columbia and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.
  - (2) Upon the appointment of a successor warrant agent, the Corporation shall promptly notify the Registered Warrantholders thereof in the manner provided for in Section 10.2.
  - (3) Any Warrant Certificates Authenticated but not delivered by a predecessor Warrant Agent may be Authenticated by the successor Warrant Agent in the name of the successor Warrant Agent.
  - (4) Any corporation into which the Warrant Agent may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to substantially the corporate trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as successor Warrant Agent under Section 9.8(1).
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### **Section 9.9 Acceptance of Agency**

The Warrant Agent hereby accepts the agency in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and agrees to hold all rights, interests and benefits herein on behalf of those persons who become holders of Warrants from time to time under this Indenture, unless and until discharged therefrom by resignation or in some other lawful way.

### **Section 9.10 Warrant Agent Not to be Appointed Receiver.**

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

### **Section 9.11 Authorization to Carry on Business**

The Warrant Agent represents to the Corporation that as at the date of the execution and delivery of this Indenture, it is duly authorized and qualified to carry on the business of a trust company in the Province of British Columbia.

### **Section 9.12 Warrant Agent Not Required to Give Notice of Default.**

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

### **Section 9.13 Anti-Money Laundering.**

- (1) The Corporation hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by the Warrant Agent in connection with this Indenture, for or to the credit of such party, either (a) is not intended to be used by or on behalf of any third party; or (b) is intended to be used by or on behalf of a third party, in which case the Corporation agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.
  - (2) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days written notice to the other parties to this Indenture, provided (a) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (b) that if such circumstances are rectified to the Warrant Agent's satisfaction within such 10 day period, then such resignation shall not be effective.
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**Section 9.14 Compliance with Privacy Code.**

- (1) The Corporation acknowledges that the Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:
  - (a) to provide the services required under this Indenture and other services that may be requested from time to time;
  - (b) to help the Warrant Agent manage its servicing relationships with such individuals;
  - (c) to meet the Warrant Agent's legal and regulatory requirements; and
  - (d) if Social Insurance Numbers are collected by the Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.
- (2) The Corporation acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of its acting as agent hereunder for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Warrant Agent shall make available on its website, <https://www.odysseytrust.com/>, or upon request, including revisions thereto. The Warrant Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.
- (3) The Corporation agrees that it shall not provide or cause to be provided to the Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless the Corporation has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

**Section 9.15 Securities Exchange Commission Certification.**

- (1) The Corporation confirms that as at the date of execution of this Indenture it does not have a class of securities registered pursuant to Section 12 of the U.S. Exchange Act or have a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act
  - (2) The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Exchange Act or the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, or (ii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the U.S. Exchange Act, the Corporation shall promptly deliver to the Warrant Agent an officers' certificate (in a form provided by the Warrant Agent notifying the Warrant Agent of such registration or termination and such other information as the Warrant Agent may require at the time. The Corporation acknowledges that the Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain United States Securities and Exchange Commission ("SEC") obligations with respect to those clients who are filing with the SEC.
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**ARTICLE 10  
GENERAL**

**Section 10.1 Notice to the Corporation and the Warrant Agent.**

- (1) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered, sent by registered letter, postage prepaid or if emailed:

- (a) If to the Corporation:

Carbon Streaming Corporation  
4 King Street West, Suite 401  
Toronto, Ontario M5H 1B6

Attention: Justin Cochrane

Email: [REDACTED]

with a copy (which shall not constitute notice) to:

Stikeman Elliott LLP  
5300 Commerce Court West 199 Bay Street  
Toronto, Ontario M5L 1B9

Attention: Steven D. Bennett

Email: sbennett@stikeman.com

and to

Attention: Marshall Eidinge

Email: MEidinge@stikeman.com

- (b) If to the Warrant Agent:

Odyssey Trust Company  
1230 – 300 5th Avenue SW  
Calgary, AB T2P 3C4

Attention: Corporate Trust

Email: corptrust@odysseytrust.com

and any such notice delivered in accordance with the foregoing shall be deemed to have been received and given on the date of delivery or, if mailed, on the fifth Business Day following the date of mailing such notice or, if emailed, on the date of transmission, unless transmission was made after 4:00 p.m. (at place of receipt) or such day that is not a Business Day and, in those cases, it will be deemed to be received on the following Business Day.

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- (2) The Corporation or the Warrant Agent, as the case may be, may from time to time notify the other in the manner provided in Section 10.1(1) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.
- (3) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed, as provided in Section 10.1(1), or given by email or other means of prepaid, transmitted and recorded communication.

#### **Section 10.2 Notice to Registered Warrantholders.**

- (1) Unless otherwise provided herein, notice to the Registered Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary prepaid post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively received and given on the date of delivery if that date is a Business Day or the Business Day following the date of delivery if such date is not a Business Day or, if mailed, on the third Business Day following the date of mailing such notice. In the event that Warrants are held in the name of the Depository, a copy of such notice shall also be sent by electronic communication to the Depository and shall be deemed received and given on the day it is so sent.
- (2) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Registered Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice may be given in a news release disseminated through a newswire service, filed on the Corporation's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com), and posted on the Corporation's website; provided that in the case of a notice convening a meeting of the Warrantholders, the Warrant Agent may require such additional publications of that notice, in Vancouver, British Columbia, Toronto, Ontario, or in other cities or both, as it may deem necessary for the reasonable notification of the holders of Warrants or to comply with any applicable requirement of law or any stock exchange. Any notice so given shall be deemed to have been given on the day on which it has been published in all of the cities in which publication was required.

#### **Section 10.3 Ownership of Warrants.**

The Corporation and the Warrant Agent may deem and treat the Registered Warrantholders as the absolute owner thereof for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Registered Warrantholder of the Warrant Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

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**Section 10.4 Counterparts.**

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof. Delivery of an executed copy of the Indenture by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

**Section 10.5 Satisfaction and Discharge of Indenture.**

Upon the earlier of:

- (a) the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation all Warrants theretofore Authenticated hereunder, in the case of Warrant Certificates (or such other instructions, in a form satisfactory to the Warrant Agent), in the case of Uncertificated Warrants, or by way of standard processing through the book entry system in the case of a CDS Global Warrant; and
- (b) the Expiry Time;

and if all certificates or other entry on the register representing Warrant Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Indenture shall cease to be of further effect and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

**Section 10.6 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Registered Warrantholders.**

Nothing in this Indenture or in the Warrants, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Registered Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Registered Warrantholders.

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**Section 10.7 Common Shares or Warrants Owned by the Corporation or its Subsidiaries - Certificate to be Provided.**

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation in Section 7.16, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

- (a) the names (other than the name of the Corporation) of the Registered Warrantholders which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation; and
- (b) the number of Warrants owned legally or beneficially by the Corporation;

and the Warrant Agent, in making the computations shall be entitled to rely on such certificate without any additional evidence.

**Section 10.8 Severability**

If, in any jurisdiction, any provision of this Indenture or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Indenture and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

**Section 10.9 Force Majeure**

Neither party hereto shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

**Section 10.10 Assignment, Successors and Assigns**

Neither of the parties hereto may assign its rights or interest under this Indenture, without the written consent of the other party, except as provided in Section 9.8 in the case of the Warrant Agent, or as provided in Section 8.2 in the case of the Corporation. Subject thereto, this Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

**Section 10.11 Rights of Rescission and Withdrawal for Holders**

Should a holder of Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, and the holder's funds which were paid on exercise have already been released to the Corporation by the Warrant Agent, the Warrant Agent shall not be responsible for ensuring the exercise is cancelled and a refund is paid back to the holder. In such cases, the holder shall seek a refund directly from the Corporation and subsequently, the Corporation, upon surrender to the Corporation or the Warrant Agent of any underlying Warrant Shares or other securities that may have been issued, or such other procedure as agreed to by the parties hereto, shall instruct the Warrant Agent in writing, to cancel the exercise transaction and any such underlying Warrant Shares or other securities on the register, which may have already been issued upon the Warrant exercise. In the event that any payment is received from the Corporation by virtue of the holder being a shareholder for such Warrants that were subsequently rescinded, such payment must be returned to the Corporation by such holder. The Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce the return of the funds pursuant to this section, nor shall the Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section. Notwithstanding the foregoing, in the event that the Corporation provides the refund to the Warrant Agent for distribution to the holder, the Warrant Agent shall return such funds to the holder as soon as reasonably practicable, and in so doing, the Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds.

***[Remainder of page left intentionally blank. Signature page follows.]***

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**IN WITNESS WHEREOF** the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

**CARBON STREAMING CORPORATION**

By:       /s/ “Justin Cochrane”        
Name: Justin Cochrane  
Title: President and Chief Executive Officer

**ODYSSEY TRUST COMPANY**

By:       /s/ “Dan Sander”        
Name: Dan Sander  
Title: President, Corporate Trust

By:       /s/ “Amy Douglas”        
Name: Amy Douglas  
Title: Director, Corporate Trust

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**SCHEDULE “A”  
FORM OF WARRANT**

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE **[the date which is sixty-two (62) months after the date of issue of the Warrant will be inserted]**, AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

*For all Warrants include the following legend until such time as it is no longer required in accordance with applicable Canadian securities laws and Neo Exchange Inc. policies:*

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **[the date which is four months and one day after the Closing Date will be inserted]**.

WITHOUT PRIOR APPROVAL OF NEO EXCHANGE INC. AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF NEO EXCHANGE INC. OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL **[the date which is four months and one day after the Closing Date will be inserted]**.

*For all Warrants sold outside the United States and registered in the name of the Depository, the also include the following legend:*

**(INSERT IF APPLICABLE)** UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO CARBON STREAMING CORPORATION (THE “ISSUER”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

*For Warrants required to bear the legend set forth in Section 2.8(1):*

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF BY ACQUIRING THESE SECURITIES AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF AGREES FOR THE BENEFIT OF CARBON STREAMING CORPORATION (THE “CORPORATION”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO ODYSSEY TRUST COMPANY TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE SECURITIES EVIDENCED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER U.S. SECURITIES ACT OR U.S. STATE SECURITIES LAWS. THESE WARRANTS MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THIS SECURITY AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS SECURITY HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LEGISLATION OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. “UNITED STATES” AND “U.S. PERSON” ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

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WARRANTS

To Acquire Common Shares of

CARBON STREAMING CORPORATION

(incorporated pursuant to the laws of the Province of British Columbia)

Warrant  
Certificate No. ●

Certificate for \_\_\_\_\_  
Warrants, each entitling the holder to acquire one  
(1) Common Share (subject to adjustment as  
provided for in the Warrant Indenture (as defined  
below)  
  
CUSIP: 14116K123  
  
ISIN: CA14116K1232

THIS IS TO CERTIFY THAT, for value received,

\_\_\_\_\_

(the “**Warrantholder**”) is the registered holder of the number of common share purchase warrants (the “**Warrants**”) of **CARBON STREAMING CORPORATION** (the “**Corporation**”) specified above, and is entitled, on exercise of these Warrants upon and subject to the terms and conditions set forth herein and in the Warrant Indenture, to purchase at any time before 4:30 p.m. (Toronto time) (the “**Expiry Time**”) on the date that is sixty-two (62) months from the date of issue of the Warrant (the “**Expiry Date**”), one fully paid and non-assessable common share without par value in the capital of the Corporation as constituted on the date hereof (a “**Common Share**”) for each Warrant subject to adjustment in accordance with the terms of the Warrant Indenture.

The right to purchase Common Shares may only be exercised by the Warrantholder within the time set forth above by:

- (a) duly completing and executing the exercise form (the “**Exercise Form**”) attached hereto; and
- (b) surrendering this warrant certificate (the “**Warrant Certificate**”), with the Exercise Form to the Warrant Agent at the principal office of the Warrant Agent, in the City of Vancouver, British Columbia, together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Corporation in an amount equal to the purchase price of the Common Shares so subscribed for.

The surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal office as set out above.

\_\_\_\_\_



Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture hereinafter referred to, the exercise price payable for each Common Share upon the exercise of Warrants shall be \$1.50 per Common Share (the “**Exercise Price**”).

Certificates for the Common Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Common Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Common Shares not so purchased. No fractional Common Shares will be issued upon exercise of any Warrant.

This Warrant Certificate evidences Warrants of the Corporation issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the “**Warrant Indenture**”) dated as of July 19, 2021 between the Corporation and Odyssey Trust Company, as Warrant Agent, to which Warrant Indenture reference is hereby made for particulars of the rights of the holders of Warrants, the Corporation and the Warrant Agent in respect thereof and the terms and conditions on which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. The Corporation will furnish to the holder, on request and without charge, a copy of the Warrant Indenture.

On presentation at the principal office of the Warrant Agent as set out above, subject to the provisions of the Warrant Indenture and on compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates entitling the holder thereof to purchase in the aggregate an equal number of Common Shares as are purchasable under the Warrant Certificate(s) so exchanged.

Neither the Warrants nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or U.S. state securities laws. The Warrants may not be exercised in the United States or by or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States unless (i) the Warrants and the Common Shares issuable upon exercise of the Warrants have been registered under the U.S. Securities Act and the applicable laws of any such state or (ii) an exemption from such registration requirements is available and the requirements set forth in the Exercise Form have been satisfied. “United States” and “U.S. Person” are defined in Regulation S under the U.S. Securities Act.

The Warrant Indenture contains provisions for the adjustment of the Exercise Price payable for each Common Share upon the exercise of Warrants and the number of Common Shares issuable upon the exercise of Warrants in the events and in the manner set forth therein.

The Warrant Indenture also contains provisions making binding on all holders of Warrants outstanding thereunder resolutions passed at meetings of holders of Warrants held in accordance with the provisions of the Warrant Indenture and instruments in writing signed by Warrantholders of Warrants entitled to purchase a specific majority of the Common Shares that can be purchased pursuant to such Warrants.

Nothing contained in this Warrant Certificate, the Warrant Indenture or elsewhere shall be construed as conferring upon the holder hereof any right or interest whatsoever as a holder of Common Shares or any other right or interest except as herein and in the Warrant Indenture expressly provided. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Indenture, the terms and conditions of the Warrant Indenture shall govern.

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Warrants may only be transferred in compliance with the conditions of the Warrant Indenture on the register to be kept by the Warrant Agent in the city of Vancouver, British Columbia, or such other registrar as the Corporation, with the approval of the Warrant Agent, may appoint at such other place or places, if any, as may be designated, upon surrender of this Warrant Certificate to the Warrant Agent or other registrar accompanied by a written instrument of transfer in form and execution satisfactory to the Warrant Agent or other registrar and upon compliance with the conditions prescribed in the Warrant Indenture and with such reasonable requirements as the Warrant Agent or other registrar may prescribe and upon the transfer being duly noted thereon by the Warrant Agent or other registrar. Time is of the essence hereof.

This Warrant Certificate shall be signed by any one duly authorized signatory of the Corporation, whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually, and this Warrant Certificate as signed hereinbefore provided shall be valid notwithstanding that the signatory whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such Warrant Certificate. This Warrant Certificate may be engraved, printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.

This Warrant Certificate will not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent from time to time under the Warrant Indenture.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language. Les parties aux présentes déclarent qu'elles ont exigé que la présente convention, de même que tous les documents s'y rapportant, soient rédigés en anglais.

**IN WITNESS WHEREOF** the Corporation has caused this Warrant Certificate to be duly executed as of:

**CARBON STREAMING CORPORATION**

By: \_\_\_\_\_  
Authorized Signatory

Countersigned and Registered by:

**ODYSSEY TRUST COMPANY**

By: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_

FORM OF TRANSFER

To: Odyssey Trust Company

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to \_\_\_\_\_  
(print name and address) the Warrants represented by this Warrant Certificate and hereby irrevocably constitutes and appoints \_\_\_\_\_ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

In the case of a warrant certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

- ☐ (A) the transfer is being made only to the Corporation;
- ☐ (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and in compliance with any applicable local securities laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule “C” to the Warrant Indenture, or
- ☐ (C) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Warrant Agent to such effect.

In the case of a Warrant Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Warrants evidenced by this Warrant Certificate is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Warrant Agent to such effect.

- ☐ If transfer is to a U.S. Person, check this box.

\_\_\_\_\_

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**SPACE FOR GUARANTEES OF  
SIGNATURES (BELOW)**

$$\begin{pmatrix} ) \\ ) \\ ) \\ ) \\ ) \\ ) \end{pmatrix}$$

Signature of Transferor

Guarantor's Signature/Stamp

Name of Transferor

**REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).**

☐ Gift      ☐ Estate      ☐ Private Sale   ☐ Other (or no change in ownership)

**Date of Event (Date of gift, death or sale): Value per Warrant on the date of event:**

/ / \$ . ☐ CAD OR ☐ USD

### CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words “Medallion Guaranteed”, with the correct prefix covering the face value of the certificate.

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- **Canada:** A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, The Bank of Nova Scotia or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words “Signature Guaranteed”, sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a “Signature & Authority to Sign Guarantee” Stamp affixed to the transfer (as opposed to a “Signature Guaranteed” Stamp) obtained from an authorized officer of the Royal Bank of Canada, The Bank of Nova Scotia or TD Canada Trust or a Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.
- **Outside North America:** For holders located outside North America, present the certificate(s) and/or document (s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

**OR**

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, The Bank of Nova Scotia or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a “SIGNATURE & AUTHORITY TO SIGN GUARANTEE” Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, The Bank of Nova Scotia or TD Canada Trust or a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

**REASON FOR TRANSFER – FOR US RESIDENTS ONLY**

Consistent with US IRS regulations, Odyssey Trust Company is required to request cost basis information from US securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

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**SCHEDULE “B”  
EXERCISE FORM**

**TO: CARBON STREAMING CORPORATION**

**AND TO: ODYSSEY TRUST COMPANY**

The undersigned holder of the Warrants evidenced by this Warrant Certificate hereby exercises the right to acquire \_\_\_\_\_ (A) Common Shares of CARBON STREAMING CORPORATION

Exercise Price Payable: \_\_\_\_\_  
(A) multiplied by \$1.50, subject to adjustment)

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Common Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

**Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.**

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

- ☐ (A) the undersigned holder at the time of exercise of the Warrants (i) is not in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) did not execute or deliver this exercise form in the United States and (v) delivery of the underlying Common Shares will not be to an address in the United States; OR
  - ☐ (B) the undersigned holder (a) is the original U.S. purchaser who purchased the Warrants pursuant to the Offering who delivered the U.S. Accredited Investor Certificate attached to the subscription agreement in connection with its purchase of Units, (b) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the subscription agreement pursuant to which it purchased such Units, and (c) is, and such disclosed principal, if any, is an institutional “accredited investor” as defined in Rule 501(a) of Regulation D under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) at the time of exercise of these Warrants and the representations and warranties of the holder made in the original subscription agreement including the U.S. Accredited Investor Certificate remain true and correct as of the date of exercise of these Warrants; OR
  - ☐ (C) the undersigned holder (a) is the original U.S. purchaser who purchased the Warrants pursuant to the Offering who delivered the Qualified Institutional Buyer Letter attached to the subscription agreement in connection with its purchase of Units, (b) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the subscription agreement pursuant to which it purchased such Units, and (c) is, and such disclosed principal, if any, is an institutional “accredited investor” as defined in Rule 501(a) of Regulation D under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) at the time of exercise of these Warrants and the representations and warranties of the holder made in the original subscription agreement including the Qualified Institutional Buyer remain true and correct as of the date of exercise of these Warrants; OR
-



Please print full name in which certificates representing the Common Shares are to be issued. If any Common Shares are to be issued to a person or persons other than the registered holder, the registered holder must pay to the Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

Once completed and executed, this Exercise Form must be mailed or delivered to **Odyssey Trust Company, c/o Corporate Trust.**

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

	)	
	)	
	)	
_____	)	_____
Witness	)	(Signature of Warrantholder, to be the same as appears on
	)	the face of this Warrant Certificate)
	)	
	)	
		_____
		Name of Registered Warrantholder

☐ Please check if the certificates representing the Common Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.

\_\_\_\_\_



**SCHEDULE “C”  
FORM OF DECLARATION FOR REMOVAL OF LEGEND**

**TO:     ODYSSEY TRUST COMPANY**

as registrar and transfer agent for the Warrants and Common Shares issuable upon exercise of the Warrants of CARBON STREAMING CORPORATION

The undersigned (a) acknowledges that the sale of the securities of CARBON STREAMING CORPORATION (the “**Corporation**”) to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and (b) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in the 1933 Act, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of The Toronto Stock Exchange or any other designated offshore securities market as defined in Regulation S under the U.S. Securities Act and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

**DATED** this \_\_\_\_day of \_\_\_\_, 20 \_\_.

\_\_\_\_\_  
(Name of Seller)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_

August 23, 2021



Filed via SEDAR

To All Applicable Exchanges and Securities Administrators

**Subject: Carbon Streaming Corporation (the “Issuer”)  
Notice of Meeting and Record Date**

Dear Sir/Madam:

We are pleased to confirm the following information with respect to the Issuer’s upcoming meeting of securityholders:

Meeting Type:	Annual General and Special Meeting
Meeting Date:	November 12, 2021
Record Date for Notice of Meeting:	September 17, 2021
Record Date for Voting (if applicable):	September 17, 2021
Beneficial Ownership Determination Date:	September 17, 2021
Class of Securities Entitled to Vote:	Common
ISIN:	CA14116K1075
Issuer sending proxy materials directly to NOBOs:	No
Issuer paying for delivery to OBOs:	Yes
Notice and Access for Beneficial Holders:	Yes
Notice and Access for Registered Holders:	Yes

In accordance with applicable securities regulations we are filing this information with you in our capacity as agent of the Issuer.

Yours truly,

**ODYSSEY TRUST COMPANY  
AS AGENT FOR Carbon Streaming Corporation**

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NEO Exchange: NETZ  
FSE: M2QA

## NEWS RELEASE

### CARBON STREAMING JOINS INTERNATIONAL EMISSIONS TRADING ASSOCIATION

TORONTO, ONTARIO, August 19, 2021 – Carbon Streaming Corporation (NEO: NETZ) (FSE: M2QA) (“**Carbon Streaming**” or the “**Company**”) is pleased to confirm that it has been accepted as a member of the International Emissions Trading Association (“**IETA**”), whose mission is to be the trusted business voice on market-based climate solutions.

Carbon Streaming’s President and CEO Justin Cochrane said: “We are thrilled to be accepted as a member of IETA. It is an organization for which we have enormous respect, and we are excited to count ourselves among such a distinguished membership with a shared mission to provide innovative, effective, and sustainable market-based climate solutions. We look forward to working in collaboration with IETA to move the global business community towards a net-zero climate goal.”

As more organizations around the world commit to the Paris Agreement and recognize the need to drastically curtail greenhouse gas emissions, the need for companies to share ideas and work through bodies such as IETA has never been more pressing. 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 will be part of an expert collective that ensures carbon markets function fairly and transparently as they continue to scale.

#### About IETA

The International Emissions Trading Association (IETA) is a non-profit business organization created in June 1999 to establish a functional international framework for trading in greenhouse gas emission reductions. Membership includes leading international companies from across the carbon trading cycle. IETA members seek to develop an emissions trading regime that results in real and verifiable greenhouse gas emission reductions while balancing economic efficiency with environmental integrity and social equity.

#### About Carbon Streaming Corporation

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

If you would like to receive corporate updates via e-mail as soon as they are published, please subscribe [here](#).

#### ON BEHALF OF THE COMPANY:

Justin Cochrane, President and CEO  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

#### INVESTOR INQUIRIES:

[investors@carbonstreaming.com](mailto:investors@carbonstreaming.com).

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**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”)  
4 King Street West, Suite 401  
Toronto, ON, M5H 1B6

**Item 2 Date of Material Change**

August 5, 2021

**Item 3 News Release**

On each of August 3 and August 5, 2021, a press release (the “**Press Releases**”) was disseminated through Business Wire and filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4 Summary of Material Change**

Carbon Streaming has entered into a carbon credits streaming agreement dated as of July 30, 2021 (the “**Carbon Stream**”) with Infinite-EARTH Limited (“**InfiniteEARTH**”) in respect of the Rimba Raya Biodiversity Reserve on the island of Borneo in Indonesia (the “**Rimba Raya Project**”). In connection with entering into the Carbon Stream, Carbon Streaming has also entered into a strategic alliance agreement (the “**SAA**”) with the founders of InfiniteEARTH.

**Item 5 Full Description of Material Change****5.1 Full Description of Material Change**

On August 3, 2021, the Company announced that it had entered into the Carbon Stream and the SAA with InfiniteEARTH. The transactions contemplated in each of the Carbon Stream and SAA were completed effective August 5, 2021.

InfiniteEARTH is the developer of the Rimba Raya Project, the industry’s flagship REDD+ (Reducing Emissions from Deforestation and forest Degradation) project. Under the terms of Carbon Stream, InfiniteEARTH will deliver 100% of the carbon credits created by the Rimba Raya Project, expected to be 70 million credits over the next 20 years, less up to 635,000 carbon credits per annum which are already committed to previous buyers. In addition, for the first four years, the amounts delivered under the Carbon Stream include 1,000,000 carbon credits per annum at a pre-agreed gross sale price of US\$8.50.

In addition to the Carbon Stream, the Company and the founders of InfiniteEARTH (the “**Founders**”) entered into the SAA whereby they have agreed to provide consulting services to the Company. The consulting services 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 investment opportunities. In addition, the SAA provides Carbon Streaming with a right of first refusal on any carbon streaming or royalty financing transaction for projects that are planned in the future, which includes a portfolio of Blue Carbon credit projects throughout the Americas which the Founders believe have the potential to create over 18 million carbon credits per year.

Pursuant to the terms of the transaction, the Company made an upfront cash investment of US\$26.3 million (the “**Cash Consideration**”) consisting of US\$22.3 million for the Carbon Stream with InfiniteEARTH and US\$4.0 million for the SAA with the Founders. In consideration for entering into the SAA, 22,695,900 common shares of the Company were issued to the Founders, which the Founders intend to use to build a robust team to develop a portfolio of Blue Carbon projects throughout the Americas. In addition to the Cash Consideration, the Company will make ongoing payments to InfiniteEARTH for each carbon credit that is sold under the Carbon Stream.

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For additional information, see the Press Releases dated August 3 and August 5, 2021, which are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

## **Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

## **Item 7 Omitted Information**

Not applicable.

## **Item 8 Executive Officer**

For further information, please contact:

Justin Cochrane, Director, President and CEO  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

## **Item 9 Date of Report**

August 11, 2021

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NEO Exchange: NETZ  
FSE: M2QA

## NEWS RELEASE

### CARBON STREAMING CLOSES RIMBA RAYA STREAM AGREEMENT & STRATEGIC ALLIANCE AGREEMENT

TORONTO, ONTARIO, August 5, 2021 – Carbon Streaming Corporation (NEO: NETZ) (FSE: M2QA) (“**Carbon Streaming**” or the “**Company**”) is pleased to confirm that it has closed the previously announced carbon credit streaming agreement with Infinite-EARTH Limited (“**InfiniteEARTH**”) and strategic alliance agreement with the InfiniteEARTH founders.

As detailed in the August 3, 2021 news release which can be found here: [Carbon Streaming Corporation - News & Media](#), InfiniteEARTH is the developer of the Rimba Raya Biodiversity Reserve Project (the “**Rimba Raya Project**”), the industry’s flagship REDD+ (Reducing Emissions from Deforestation and forest Degradation) project. The Rimba Raya Project, for which InfiniteEARTH has exclusive carbon and marketing rights, is expected to create over 70 million credits throughout its remaining 20-year crediting period (approximately 3.5 million carbon credits per annum).

Carbon Streaming’s President and CEO Justin Cochrane affirmed, “We are delighted to have closed this transformational investment in the Rimba Raya Project with our strategic partners at InfiniteEARTH.” Mr. Cochrane continued, “we intend to act swiftly and at scale to bring exceptional carbon projects like Rimba Raya into the Company portfolio.”

More information about the Rimba Raya Project can be found here: <https://rimba-raya.com/>.

#### About InfiniteEARTH

InfiniteEARTH is a Hong Kong-based project development company that develops and manages conservation land banks and provides environmental offsets and corporate social responsibility (CSR) solutions to companies across the globe. The company was formed in 2008 with the goal of creating the Rimba Raya Project, a 64,500-hectare peat forest in Central Kalimantan, Indonesia. Rimba Raya is one of the world’s largest REDD+ projects. The project eradicates deforestation, promotes conservation of local wildlife and sells carbon credits based on the carbon rich forest which was previously gazetted for conversion to palm oil.

InfiniteEARTH’s projects focus on the preservation of endangered species habitat, High Conservation Value (HCV) and High Carbon Stock (HCS) Forests, and National Parks through the creation of social and physical buffer zones.

All projects are designed to meet the UN Sustainable Development Goals by funding sustainable development in rural communities through capacity building, transfer of low-impact technologies such as solar and fuel-efficient cookstoves, aquaponics, agro-forestry (“jungle crop”) models, and social benefits programs such as health care and early childhood education materials.

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## About Carbon Streaming Corporation

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

If you would like to receive corporate updates via e-mail as soon as they are published, please subscribe here: <https://www.carbonstreaming.com/contact/request-information/>.

### ON BEHALF OF THE COMPANY:

Justin Cochrane, President and CEO

Tel: 647.846.7765

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

Investor inquiries can be directed to: [investors@carbonstreaming.com](mailto:investors@carbonstreaming.com).

### Cautionary Statement Regarding Forward-Looking Information

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including, statements and figures with respect to the estimation of future carbon credit generation at the Rimba Raya Project; and the Company’s strategy going forward and the timing thereof) are forward-looking information. This forward- looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s AIF dated as of June 30, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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Form 45-106F1 Report of Exempt Distribution (Non-investment fund issuer)

ITEM 1 – REPORT TYPE

☐ New report

☒ Amended report    If amended, provide Submission ID of report that is being amended: 

EDR1627483587-678

 (Example: EDR1234567890-123)

ITEM 2 – PARTY CERTIFYING THE REPORT

Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 Investment Fund Continuous Disclosure and the companion policy to NI 81-106.

☒ Issuer (Other than an investment fund)

☐ Underwriter

ITEM 3 – ISSUER NAME AND OTHER IDENTIFIERS

Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.

Full legal name

Carbon Streaming Corporation

Previous full legal name    If the issuer's name changed in the last 12 months, provide most recent previous legal name.

Website (if applicable)

If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".

Legal entity identifier

Did two or more co-issuers distribute a single security?    ☒ No    ☐ Yes

If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.

Full legal name(s) of co-issuer(s)

ITEM 4 – UNDERWRITER INFORMATION

If an underwriter is completing the report, provide the underwriter's full legal name and firm NRD number.

Full legal name

Does the Underwriter's Firm have an NRD Number?    Firm NRD number

☐ No    ☐ Yes

If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.

Street address    Municipality    Province/State    Postal/ZIP code

Country    Telephone number    Website (if applicable)



**ITEM 5 – ISSUER INFORMATION****a) Primary industry**

Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that in your reasonable judgment most closely corresponds to the issuer's primary business activity.

NAICS industry code

523990

If the issuer is in the **mining industry**, indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.

☐ Exploration ☐ Development ☐ Production

Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply.

☐ Mortgages ☐ Real estate ☐ Commercial/business debt ☐ Consumer debt ☐ Private companies ☐ Cryptocurrencies ☒ N/A

**b) Number of employees**

☒ 0 - 49 ☐ 50 - 99 ☐ 100 - 499 ☐ 500 or more

**c) SEDAR profile number**

Does the issuer have a [SEDAR](#) profile?

☐ No ☒ Yes

If yes, provide SEDAR profile number:

00022710

If the issuer's SEDAR profile is a "private" profile, please provide a screenshot of the issuer's profile by e-mail to [exemptmarketfilings@osc.gov.on.ca](mailto:exemptmarketfilings@osc.gov.on.ca)

**d) Head office address**

If the issuer does not have a SEDAR profile, complete item 5(d) – (h).

Street address

Municipality

Province/State

Postal/ZIP code

Country

Telephone number

**e) Date of formation and financial year-end**

Date of formation

Financial year-end

**f) Reporting issuer status**

Is the issuer a reporting issuer in any jurisdiction of Canada?

☐ No ☐ Yes

If yes, select the jurisdictions of Canada in which the issuer is a reporting issuer:

☐ All ☐ AB ☐ BC ☐ MB ☐ NB ☐ NL ☐ NT  
☐ NS ☐ NU ☐ ON ☐ PE ☐ QC ☐ SK ☐ YT

**g) Public listing status**

Does the issuer have a CUSIP number?

☐ No ☐ Yes

CUSIP number (provide first 6 digits only)

If the issuer is publicly listed, provide the name of the exchange on which the issuer's equity securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.

Exchange name:

☐ Not Applicable ☐ Toronto Stock Exchange ☐ TSX Venture Exchange ☐ Canadian Securities Exchange  
☐ Aequitas Neo Exchange ☐ Australian Securities Exchange ☐ Deutsche Boerse ☐ Euronext  
☐ London Stock Exchange ☐ Nasdaq ☐ New York Stock Exchange ☐ Shanghai Stock Exchange  
☐ Shenzhen Stock Exchange ☐ Stock Exchange Of Hong Kong ☐ Tokyo Stock Exchange ☐ OTHER

If other, describe:

**h) Size of issuer's assets**

Select the size of the issuer's assets based on its most recently available annual financial statements (Canadian \$). If the issuer has not prepared annual financial statements for its first financial year, provide the size of the issuer's assets at the distribution end date.

☐ \$0 to under \$5M ☐ \$5M to under \$25M ☐ \$25M to under \$100M  
☐ \$100M to under \$500M ☐ \$500M to under \$1B ☐ \$1B or over

**ITEM 7 – INFORMATION ABOUT THE DISTRIBUTION**

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include in Item 7 and Schedule 1 information about purchasers resident in that jurisdiction of Canada only. Do not include in Item 7 securities issued as payment of commissions or finder's fees in connection with the distribution, which must be disclosed in Item 8. The information provided in Item 7 must reconcile with the information provided in Schedule 1 of the report.

**a) Currency**

Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.

☐ Canadian dollar ☒ US dollar ☐ Euro ☐ Other (describe):

**b) Distribution date(s)**

State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.

Start Date End Date

2021-07-20 2021-07-20

**c) Detailed purchaser information**

Complete [Schedule 1](#) of this form for each purchaser and attach the schedule to the completed report.

Carbon Streaming Corporation - OSC Schedule 1.xlsx - 172 KB

**d) Types of securities distributed**

Provide the following information for all distributions reported on a per security basis. Refer to Part A(12) of the instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.

Security code	CUSIP number	Number of securities	Canadian \$		
			Single or lowest price	Highest price	Total amount
WNT		34,027,148.0000	1.2759		43,415,238.1300
Description of security:					

**e) Details of rights and convertible/exchangeable securities**

If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeable securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.

☐ Not Applicable

Convertible / exchangeable security code	Underlying security code	Exercise price (Canadian \$)		Expiry date (YYYY-MM-DD)	Conversion ratio
		Lowest	Highest		
WNT	UBS				
Describe other terms: (if applicable)		Each Special Warrant shall be automatically exercised for no additional consideration into 1 Unit on the Automatic Exercise Date. Refer to the Company's Offering Memorandum dated June 14, 2021 for additional details.			

**f) Summary of the distribution by jurisdiction and exemption**

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only. This table requires a separate line item for (i) each jurisdiction where a purchaser resides (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction. For jurisdictions within of Canada, state the province or territory, otherwise state country.

Province or country	Exemption relied on	No. of unique purchasers <sup>2a</sup>	Total amount (Canadian \$)
Alberta	NI 45-106 2.3 [Accredited investor]	44	2,537,127.1500
Alberta	NI 45-106 2.9(2.1) [Offering memorandum]	38	651,602.1300
Alberta	NI 45-106 2.5 [Family, friends and business associates]	2	15,948.7500
British Columbia	NI 45-106 2.3 [Accredited investor]	18	4,035,033.7500
British Columbia	NI 45-106 2.9(1) [Offering memorandum]	197	13,688,493.1500
Manitoba	NI 45-106 2.3 [Accredited investor]	3	102,072.0000

Manitoba	NI 45-106 2.9(2) [Offering memorandum]	6	48,484,2000
New Brunswick	NI 45-106 2.9(2.1) [Offering memorandum]	1	3,827,7000
Nova Scotia	NI 45-106 2.3 [Accredited investor]	3	185,005,5000
Nova Scotia	NI 45-106 2.9(2.1) [Offering memorandum]	5	181,177,8000
Ontario	NI 45-106 2.3 [Accredited investor]	128	12,773,353,8800
Ontario	NI 45-106 2.9(2.1) [Offering memorandum]	76	1,892,335,7700
Ontario	NI 45-106 2.5 [Family, friends and business associates]	4	500,152,8000
Prince Edward Island	NI 45-106 2.3 [Accredited investor]	1	10,462,3800
Prince Edward Island	NI 45-106 2.9(2) [Offering memorandum]	1	63,795,0000
Quebec	NI 45-106 2.3 [Accredited investor]	28	6,107,733,3000
Saskatchewan	NI 45-106 2.3 [Accredited investor]	5	158,670,9200
Saskatchewan	NI 45-106 2.9(2.1) [Offering memorandum]	5	169,056,7500
Yukon	NI 45-106 2.3 [Accredited investor]	1	63,795,0000
Yukon	NI 45-106 2.9(2) [Offering memorandum]	1	31,897,5000
Newfoundland and Labrador	NI 45-106 2.9(1) [Offering memorandum]	3	195,212,7000
<b>Total dollar amount of securities distributed</b>			43,415,238,1300
<b>Total number of unique purchasers<sup>2b</sup></b>			570

<sup>2a</sup>In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.

<sup>2b</sup>In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

**ITEM 7 – INFORMATION ABOUT THE DISTRIBUTION**

**h) Offering materials - This section applies only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.**

*If a distribution has occurred in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, complete the table below by listing the offering materials that are required under the prospectus exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in those jurisdictions.*

*In Ontario, if the offering materials listed in the table are required to be filed with or delivered to the Ontario Securities Commission (OSC), attach an electronic version of the offering materials that have not been previously filed with or delivered to the OSC.*

☐ **Not Applicable**

	Description	Date of document or other material	Previously filed with or delivered to regulator?	Previously filed Submission ID	Filename
t.	Offering memorandum	2021-06-14	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		Garbon Streaming Corporation -
	Both of the above				

**ITEM 8 – COMPENSATION INFORMATION**

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. **Complete additional copies of this page if more than one person was, or will be, compensated.**

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

☒ No ☐ Yes

**PERSON 1****a) Name of person compensated and registration status**

Indicate whether the person compensated is a registrant.

☐ No ☐ Yes

If the person compensated is an individual, provide the full legal name of the individual.

Family name	First given name	Secondary given names
<input type="text"/>	<input type="text"/>	<input type="text"/>

If the person compensated is not an individual, provide the following information.

Full legal name of non-individual	Firm NRD number (if applicable)
<input type="text"/>	<input type="text"/>

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.

☐ No ☐ Yes

**b) Business contact information**

If a firm NRD number is not provided in Item 8(a), provide the business contact information of the person being compensated.

Street address	Municipality	Province/State	Postal/ZIP code
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Country	Telephone number	Email address	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

**c) Relationship to issuer or investment fund manager**

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B(2) of the Instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

☐ Connected with the issuer or investment fund manager ☐ Employee of the issuer or investment fund manager  
☐ Insider of the issuer (other than an investment fund) ☐ None of the above  
☐ Director or officer of the investment fund or investment fund manager

**d) Compensation details**

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

<input type="checkbox"/> Cash commissions paid	<input type="text"/>	
<input type="checkbox"/> Value of all securities distributed as compensation <sup>a</sup>	<input type="text"/>	Security code1 <input type="text"/> Security code2 <input type="text"/> Security code3 <input type="text"/> Describe terms of warrants, options or other rights <input type="text"/>
<input type="checkbox"/> Other compensation <sup>b</sup>	<input type="text"/>	Describe <input type="text"/>
<b>Total compensation Paid</b>	<input type="text" value="0.0000"/>	

☐ Check box if the person will or may receive any deferred compensation (describe the terms below)

<input type="text"/>
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<sup>4</sup> Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

<sup>5</sup> Do not include deferred compensation.

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**ITEM 9 – DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER**

Indicate whether the issuer is any of the following (select the one that applies - if more than one applies, select only one).

☒ Reporting issuer in any jurisdiction of Canada

☐ Foreign public issuer

☐ Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada<sup>6</sup>

Provide name of reporting issuer

☐ Wholly owned subsidiary of a foreign public issuer<sup>6</sup>

Provide name of foreign public issuer

☐ Issuer distributing only eligible foreign securities and the distribution is to permitted clients only<sup>7</sup>

If the issuer is at least one of the above, do not complete Item 9(a) – (c). Proceed to Item 10.

<sup>6</sup> An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

<sup>7</sup> Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part 8(1) of the Instructions.

☐ If the issuer is none of the above, check this box and complete Item 9(a) – (c).

**a) Directors, executive officers and promoters of the issuer**

Provide the following information for each director, executive officer and promoter of the issuer. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to issuer", "D" – Director, "O" – Executive Officer, "P" – Promoter.

Individual?	Organization or company name	Family name First given name Secondary given name	Business location of non-individual or residential jurisdiction of individual	Relationship to issuer (select all that apply)
<input type="checkbox"/> Y <input type="checkbox"/> N	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> D <input type="checkbox"/> O <input type="checkbox"/> P
	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**b) Promoter information**

If the promoter listed above is not an individual, provide the following information for each director and executive officer of the promoter. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to promoter", "D" – Director, "O" – Executive Officer.

Organization or company name	Family name First given name Secondary given name	Residential jurisdiction of individual	Relationship to promoter (select one or both if applicable)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> D <input type="checkbox"/> O
<input type="text"/>	<input type="text"/>	<input type="text"/>	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

**c) Residential address of each individual**

Complete [Schedule 2](#) of this form providing the full residential address for each individual listed in Item 9(a) and (b) and attach to the completed report. Schedule 2 also requires information to be provided about control persons.

**ITEM 10 – CERTIFICATION**

Provide the following certification and business contact information of an officer, director or agent of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may be delegated, but only to an agent that has been authorized by an officer or director of the issuer or underwriter to prepare and certify the report on behalf of the issuer or underwriter. If the report is being certified by an agent on behalf of the issuer or underwriter, provide the applicable information for the agent in the boxes below.

If the individual completing and filing the report is different from the individual certifying the report, provide the name and contact details for the individual completing and filing the report in Item 11.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

Securities legislation requires an issuer or underwriter that makes a distribution of securities under certain prospectus exemptions to file a completed report of exempt distribution.

By completing the information below, I certify, on behalf of the issuer/underwriter, to the securities regulatory authority or regulator, as applicable, that I have reviewed this report and to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.

Name of issuer/underwriter/agent			Carbon Streaming Corporation		
Full legal name - Family name		First given name		Secondary given names	
Keams		Conor			
Title		Telephone number		Email address	
Chief Financial Officer		416-786-5658		conor@carbonstreaming.com	
Signature		(signed) "Conor Keams"		Date	
				2021-07-29	

**ITEM 11 – CONTACT PERSON**

Provide the following business contact information for the individual that the securities regulatory authority or regulator may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 10.

☐ Same as individual certifying the report

Full legal name - Family name		First given name		Secondary given names		Title	
Greco		Franca				Securities Law Clerk	
Name of company		Telephone number		Email address			
Stikeman Elliott LLP		416-514-6688		fgreco@stikeman.com			

**Notice – Collection and use of personal information**

The personal information required under this form is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the local jurisdiction(s) where the report is filed, at the address(es) listed at the end of this form.

The attached Schedules 1 and 2 may contain personal information of individuals and details of the distribution(s). The information in Schedules 1 and 2 will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

By signing this report, the issuer/underwriter confirms that each individual listed in Schedule 1 or 2 of the report who is resident in a jurisdiction of Canada:

- has been notified by the issuer/underwriter of the delivery to the securities regulatory authority or regulator of the information pertaining to the individual as set out in Schedule 1 or 2, that this information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and of the title, business address and business telephone number of the public official in the local jurisdiction, as set out in this form, who can answer questions about the securities regulatory authority's or regulator's indirect collection of the information, and
- has authorized the indirect collection of the information by the securities regulatory authority or regulator.

Submission ID

Date





## NEWS RELEASE

**CARBON STREAMING ANNOUNCES  
CARBON CREDIT STREAM AGREEMENT ON  
THE RIMBA RAYA BIODIVERSITY RESERVE AND  
STRATEGIC PARTNERSHIP WITH INFINITE-EARTH FOUNDERS**

TORONTO, ONTARIO, August 3, 2021 – Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) (NEO: NETZ) (FSE: M2QA) is pleased to announce that it has entered into a carbon credit streaming agreement (“**Carbon Stream**”) with Infinite-EARTH Limited (“**InfiniteEARTH**”). InfiniteEARTH is the developer of the industry’s flagship REDD+ (Reducing Emissions from Deforestation and forest Degradation) project, the Rimba Raya Biodiversity Reserve Project (the “**Rimba Raya Project**”). The Rimba Raya Project, for which InfiniteEARTH has exclusive carbon and marketing rights, is expected to create over 70 million credits over its remaining 20-year crediting period (approximately 3.5 million carbon credits per annum).

**Transaction Highlights:**

- InfiniteEARTH will deliver 100% of the carbon credits created by the Rimba Raya Project, expected to be 70 million credits over the next 20 years, less up to 635,000 carbon credits per annum which are already committed to previous buyers.
  - For the first four years, the amounts delivered under the Carbon Stream include 1,000,000 carbon credits per annum at a pre-agreed gross sale price of US\$8.50.
- An upfront cash investment of US\$26.3 million (the “**Cash Consideration**”) consisting of US\$22.3 million for the Carbon Stream with InfiniteEARTH and US\$4.0 million for the SAA with the Founders (as defined below).
- An issuance of 22,695,900 common shares of the Company (the “**Share Consideration**”) for entering into the SAA, which the Founders intend to use to build a robust team to develop a portfolio of Blue Carbon projects throughout the Americas.
- In addition to the Cash Consideration, the Company will make ongoing payments to InfiniteEARTH for each carbon credit that is sold under the Carbon Stream.

“It is with great excitement that we announce the Rimba Raya project to Carbon Streaming’s shareholders. As indicated by the long list of top-tier companies that have already purchased carbon credits from the Rimba Raya Project, we believe the carbon credits generated by this project will continue to be highly valuable and sought-after as more companies begin their carbon offset process and look to purchase carbon credits from high-quality REDD+ projects like the Rimba Raya Project, which offers substantial climate, community and biodiversity benefits,” said Justin Cochrane, Carbon Streaming’s President & CEO.

Operating for over a decade, the Rimba Raya Project is located on the island of Borneo in Indonesia and serves to protect and preserve tropical lowland peat swamp forests. This is one of the most endangered ecosystems of the world, and native home of the last high-density population of the endangered Bornean Orangutan (*Pongo pygmaeus*), a beloved and critically endangered species. The Rimba Raya Project is expected to reduce greenhouse gas (“**GHG**”) emissions by 3,527,171 tonnes of CO<sub>2</sub> equivalent (“**tCO<sub>2</sub>e**”) per year with a total reduction of 130 million tCO<sub>2</sub>e estimated over its 30-year carbon offset project, which started in 2009.

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InfiniteEARTH is a pioneer in the REDD+ industry, having developed the world's first REDD+ carbon accounting methodology, the first REDD+ project validated under the VCS (Verified Carbon Standard [www.verra.org](http://www.verra.org)), and the first REDD+ project to receive a "triple-gold" verification under the Climate, Community and Biodiversity Standard. In addition, InfiniteEARTH's Rimba Raya Project is the world's first REDD+ project to be verified under the newly launched Sustainable Development Verified Impact Standard (SDVista), earning the highest possible rating for demonstrating its contribution to all 17 United Nations Sustainable Development Goals (UN SDGs).

In addition to the Carbon Stream, the Company and the founders of InfiniteEARTH ("**Founders**") have entered into a strategic alliance agreement ("**SAA**") whereby they 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 investment opportunities. In addition, the SAA provides Carbon Streaming with a right of first refusal on any carbon streaming or royalty financing transaction for projects that are planned in the future, which includes a portfolio of Blue Carbon credit projects throughout the Americas which the Founders believe have the potential to create over 18 million carbon credits per year.

Justin Cochrane stated, "Carbon Streaming is thrilled to be partnering with InfiniteEARTH and its Founders to fight climate change, preserve the rich biodiversity of this area, and improve the health and economic well-being of these local communities." Mr. Cochrane continued, "This investment builds on Carbon Streaming's high-quality nature-based portfolio including the recently announced blue carbon MarVivo project in Mexico and the Bonobo Peace Forest projects in the Democratic Republic of Congo. It demonstrates our commitment to invest in carbon credit projects around the world that also provide substantial community and biodiversity benefits."

Todd Lemons, Co-Founder of InfiniteEARTH added, "The terms of the carbon streaming agreement provides up-front capital that allows us to fast-track several major initiatives within the Rimba Raya Project, including the delivery of more extensive medical services via our floating clinic through a significant increase in trip frequency and the addition of new equipment and medical personnel. Additionally, it allows us to begin a major reforestation effort through the development of a community-owned, native cash-crop agroforestry initiative. Likewise, the terms of the SAA provide the working capital for MarVivo to develop a portfolio of Blue Carbon projects - in parallel rather than sequentially - throughout the Americas. In short, both deals allow us to substantially increase our pace and rate of positive impact, rather than effecting incremental change through annual sales over time."

A portion of the revenue generated from the sale of carbon credits will go directly to the Rimba Raya Project to support local community development and provincial government infrastructure. In addition, money spent on project area protection and conservation can potentially lead to higher GHG emission reductions, and thereby increased carbon credits in future years. These activities include building watch towers to monitor 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, educational scholarships, and solar energy. All of which make significant contributions to Indonesia's sustainable development goals and UN climate commitments.

More information about the Rimba Raya Project can be found here: <https://rimba-raya.com/>.

Closing of the Carbon Stream is subject to customary conditions with closing anticipated to occur within two weeks.

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## **About InfiniteEARTH**

InfiniteEARTH is a Hong Kong-based project development company that develops and manages conservation land banks and provides environmental offsets and corporate social responsibility (CSR) solutions to companies across the globe. The company was formed in 2008 with the goal of creating the Rimba Raya Project, a 64,500-hectare peat forest in Central Kalimantan, Indonesia. Rimba Raya is one of the world's largest REDD+ projects. The project eradicates deforestation, promotes conservation of local wildlife and sells carbon credits based on the carbon rich forest which was previously gazetted for conversion to palm oil.

InfiniteEARTH's projects focus on the preservation of endangered species habitat, High Conservation Value (HCV) and High Carbon Stock (HCS) Forests, and National Parks through the creation of social and physical buffer zones.

All projects are designed to meet the UN Sustainable Development Goals by funding sustainable development in rural communities through capacity building, transfer of low-impact technologies such as solar and fuel-efficient cookstoves, aquaponics, agro-forestry ("jungle crop") models, and social benefits programs such as health care and early childhood education materials.

## **About Carbon Streaming Corporation**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

If you would like to receive corporate updates via e-mail as soon as they are published, please subscribe here: <https://www.carbonstreaming.com/contact/request-information/>.

### **ON BEHALF OF THE COMPANY:**

Justin Cochrane, President and CEO

Tel: 647.846.7765

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

Investor inquiries can be directed to: [investors@carbonstreaming.com](mailto:investors@carbonstreaming.com).

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**Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including, statements and figures with respect to the estimation of future carbon credit generation and GHG emissions reductions at the Rimba Raya Project; the use of proceeds from the Carbon Stream, the timing and closing of the transaction; the generation of local community benefits; the conservation and protection of forestry and endangered species; the creation of future carbon credits; the Founders use of the Share Consideration and the business and assets of the Company and its strategy going forward) are forward-looking information. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s AIF dated as of June 30, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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NEO Exchange: NETZ  
FSE: M2QA

## NEWS RELEASE

### CARBON STREAMING EXPANDS INTO EUROPE TRADING ON THE FRANKFURT STOCK EXCHANGE

TORONTO, ONTARIO, July 30, 2021 – Carbon Streaming Corporation (NEO: NETZ) (FSE: M2QA) (“**Carbon Streaming**” or the “**Company**”), one of the first publicly traded companies that provides investors with direct exposure to the expanding carbon credit markets, is pleased to announce that it has listed on the Frankfurt Stock Exchange (“**FSE**”) under the symbol M2QA. This additional listing in Europe is part of the Company’s mandate to provide investors around the world with exposure to the carbon credit marketplace.

Justin Cochrane, President and CEO, noted “extending our investor outreach with this Frankfurt listing affords the European investment community the opportunity to participate in scaling and accelerating the carbon offset markets with us.” He continued, “this is particularly well timed as we look to execute on our investment pipeline in the coming months and quarters.”

#### Investor Highlights

- Carbon Streaming is among the first publicly traded carbon offset investment companies on any exchange and the Company is proud to provide our investors with unique global access to the carbon credit marketplace.
- Listing updates from Frankfurt can be found here: <https://www.boerse-frankfurt.de/equity/carbon-streaming-corp>.
- The Company recently listed on Canada’s NEO Exchange, trading under the symbol NETZ (see news release dated July 26, 2021).
- The Company intends to list on a U.S. stock exchange, such as NASDAQ or the New York Stock Exchange, prior to the end of the year.
- The Company remains posted for trading on the OTC Markets in the United States under the updated ticker “OFSTF”.

The Frankfurt Stock Exchange is one of the world’s largest exchange-trading markets, connecting major European financial hubs in Germany, Switzerland, Luxembourg, Lichtenstein, Monaco, and others. The Company will maintain its primary listing, just announced this week, on the NEO Exchange.

#### About Carbon Streaming Corporation

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

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**ON BEHALF OF THE COMPANY:**

Justin Cochrane, Director, President and CEO

Tel: 647.846.7765

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

Investor Inquiries can be directed to: [investors@carbonstreaming.com](mailto:investors@carbonstreaming.com)

**Cautionary Note Regarding Forward-Looking Statements**

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including the ability of the Company to obtain a U.S. stock exchange listing) are forward-looking information. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s AIF dated as of June 30, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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Form 45-106F1 Report of Exempt Distribution (Non-investment fund issuer)

ITEM 1 – REPORT TYPE

☒New report

☐Amended report    If amended, provide Submission ID of report that is being amended:  (Example: EDR1234567890-123)

ITEM 2 – PARTY CERTIFYING THE REPORT

Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 Investment Fund Continuous Disclosure and the companion policy to NI 81-106.

☒Issuer (Other than an investment fund)

☐Underwriter

ITEM 3 – ISSUER NAME AND OTHER IDENTIFIERS

Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.

Full legal name

Carbon Streaming Corporation

Previous full legal name *If the issuer's name changed in the last 12 months, provide most recent previous legal name.*

Website (if applicable)

*If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".*

Legal entity identifier

Did two or more co-issuers distribute a single security? ☒No ☐Yes

*If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.*

Full legal name(s) of co-issuer(s)

ITEM 4 – UNDERWRITER INFORMATION

*If an underwriter is completing the report, provide the underwriter's full legal name and firm NRD number.*

Full legal name

Does the Underwriter's Firm have an NRD Number?    Firm NRD number

☐No ☐Yes

*If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.*

Street address	Municipality	Province/State	Postal/ZIP code
<div></div>	<div></div>	<div></div>	<div></div>
Country	Telephone number	Website (if applicable)	
	<div></div>	<div></div>	

**ITEM 5 – ISSUER INFORMATION****a) Primary industry**

Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that in your reasonable judgment most closely corresponds to the issuer's primary business activity.

NAICS industry code

523990

If the issuer is in the **mining industry**, indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.

☐ Exploration ☐ Development ☐ Production

Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply.

☐ Mortgages ☐ Real estate ☐ Commercial/business debt ☐ Consumer debt ☐ Private companies ☐ Cryptocurrencies ☒ N/A

**b) Number of employees**

☒ 0 - 49 ☐ 50 - 99 ☐ 100 - 499 ☐ 500 or more

**c) SEDAR profile number**

Does the issuer have a [SEDAR](#) profile?

☐ No ☒ Yes

If yes, provide SEDAR profile number:

00022710

If the issuer's SEDAR profile is a "private" profile, please provide a screenshot of the issuer's profile by e-mail to [exemptmarketfilings@osc.gov.on.ca](mailto:exemptmarketfilings@osc.gov.on.ca)

**d) Head office address**

If the issuer does not have a SEDAR profile, complete item 5(d) – (h).

Street address

Municipality

Province/State

Postal/ZIP code

Country

Telephone number

**e) Date of formation and financial year-end**

Date of formation

Financial year-end

**f) Reporting issuer status**

Is the issuer a reporting issuer in any jurisdiction of Canada?

☐ No ☐ Yes

If yes, select the jurisdictions of Canada in which the issuer is a reporting issuer:

☐ All ☐ AB ☐ BC ☐ MB ☐ NB ☐ NL ☐ NT  
☐ NS ☐ NU ☐ ON ☐ PE ☐ QC ☐ SK ☐ YT

**g) Public listing status**

Does the issuer have a CUSIP number?

☐ No ☐ Yes

CUSIP number (provide first 6 digits only)

If the issuer is publicly listed, provide the name of the exchange on which the issuer's equity securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.

Exchange name:

☐ Not Applicable ☐ Toronto Stock Exchange ☐ TSX Venture Exchange ☐ Canadian Securities Exchange  
☐ Aegion Neo Exchange ☐ Australian Securities Exchange ☐ Deutsche Boerse ☐ Euronext  
☐ London Stock Exchange ☐ Nasdaq ☐ New York Stock Exchange ☐ Shanghai Stock Exchange  
☐ Shenzhen Stock Exchange ☐ Stock Exchange Of Hong Kong ☐ Tokyo Stock Exchange ☐ OTHER

If other, describe:

**h) Size of issuer's assets**

Select the size of the issuer's assets based on its most recently available annual financial statements (Canadian \$). If the issuer has not prepared annual financial statements for its first financial year, provide the size of the issuer's assets at the distribution end date.

☐ \$0 to under \$5M ☐ \$5M to under \$25M ☐ \$25M to under \$100M  
☐ \$100M to under \$500M ☐ \$500M to under \$1B ☐ \$1B or over



**ITEM 7 – INFORMATION ABOUT THE DISTRIBUTION**

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include in Item 7 and Schedule 1 information about purchasers resident in that jurisdiction of Canada only. Do not include in Item 7 securities issued as payment of commissions or finder's fees in connection with the distribution, which must be disclosed in Item 8. The information provided in Item 7 must reconcile with the information provided in Schedule 1 of the report.

**a) Currency**

Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.

☐ Canadian dollar ☒ US dollar ☐ Euro ☐ Other (describe): \_\_\_\_\_

**b) Distribution date(s)**

State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.

Start Date: 2021-07-20 End Date: 2021-07-20

**c) Detailed purchaser information**

Complete [Schedule 1](#) of this form for each purchaser and attach the schedule to the completed report.

Carbon Streaming Corporation - OSC Schedule 1.xlsx - 172 KB

**d) Types of securities distributed**

Provide the following information for all distributions reported on a per security basis. Refer to Part A(12) of the instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.

Security code	CUSIP number	Number of securities	Canadian \$		
			Single or lowest price	Highest price	Total amount
WNT		34,027,148.0000	1.2759		43,415,238.1300
Description of security: _____					

**e) Details of rights and convertible/exchangeable securities**

If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeable securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.

☐ Not Applicable

Convertible / exchangeable security code	Underlying security code	Exercise price (Canadian \$)		Expiry date (YYYY-MM-DD)	Conversion ratio
		Lowest	Highest		
WNT	UBS				
Describe other terms: (if applicable) Each Special Warrant shall be automatically exercised for no additional consideration into 1 Unit on the Automatic Exercise Date. Refer to the Company's Offering Memorandum dated June 14, 2021 for additional details.					

**f) Summary of the distribution by jurisdiction and exemption**

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only. This table requires a separate line item for (i) each jurisdiction where a purchaser resides (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction. For jurisdictions within of Canada, state the province or territory, otherwise state country.

Province or country	Exemption relied on	No. of unique purchasers <sup>2a</sup>	Total amount (Canadian \$)
Alberta	Ni 45-106 2.3 [Accredited investor]	44	2,537,127.1500
Alberta	Ni 45-106 2.9(2.1) [Offering memorandum]	38	661,602.1300
Alberta	Ni 45-106 2.5 [Family, friends and business associates]	2	15,948.7500
British Columbia	Ni 45-106 2.3 [Accredited investor]	18	4,035,033.7500
British Columbia	Ni 45-106 2.9(1) [Offering memorandum]	197	13,688,493.1500
Manitoba	Ni 45-106 2.3 [Accredited investor]	3	102,072.0000
Manitoba	Ni 45-106 2.9(2) [Offering memorandum]	6	48,484.2000
New Brunswick	Ni 45-106 2.9(2.1) [Offering memorandum]	1	3,827.7000

Nova Scotia	NI 45-106 2.3 [Accredited investor]	3	185,005.5000
Nova Scotia	NI 45-106 2.9(2.1) [Offering memorandum]	5	181,177.8000
Ontario	NI 45-106 2.3 [Accredited investor]	128	12,773,353.8800
Ontario	NI 45-106 2.9(2.1) [Offering memorandum]	76	1,892,335.7700
Ontario	NI 45-106 2.5 [Family, friends and business associates]	4	500,152.8000
Prince Edward Island	NI 45-106 2.3 [Accredited investor]	1	10,462.3800
Prince Edward Island	NI 45-106 2.9(2) [Offering memorandum]	1	63,795.0000
Quebec	NI 45-106 2.3 [Accredited investor]	27	6,088,594.8000
Quebec	NI 45-106 2.9(2.1) [Offering memorandum]	1	19,138.5000
Saskatchewan	NI 45-106 2.3 [Accredited investor]	5	158,670.9200
Saskatchewan	NI 45-106 2.9(2.1) [Offering memorandum]	5	169,056.7500
Yukon	NI 45-106 2.3 [Accredited investor]	1	63,795.0000
Yukon	NI 45-106 2.9(2) [Offering memorandum]	1	31,897.5000
Newfoundland and Labrador	NI 45-106 2.9(1) [Offering memorandum]	3	195,212.7000
<b>Total dollar amount of securities distributed</b>			<b>43,415,238.1300</b>
<b>Total number of unique purchasers<sup>2b</sup></b>			<b>570</b>

<sup>2a</sup>In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.

<sup>2b</sup>In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

**ITEM 7 – INFORMATION ABOUT THE DISTRIBUTION**

**h) Offering materials - This section applies only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.**

*If a distribution has occurred in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, complete the table below by listing the offering materials that are required under the prospectus exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in those jurisdictions.*

*In Ontario, if the offering materials listed in the table are required to be filed with or delivered to the Ontario Securities Commission (OSC), attach an electronic version of the offering materials that have not been previously filed with or delivered to the OSC.*

☐ **Not Applicable**

	Description	Date of document or other material	Previously filed with or delivered to regulator?	Previously filed Submission ID	Filename
t.	Offering memorandum	2021-06-14	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		Garbon Streaming Corporation -
	Both of the above				

**ITEM 8 – COMPENSATION INFORMATION**

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. **Complete additional copies of this page if more than one person was, or will be, compensated.**

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

☒ No ☐ Yes

**PERSON 1****a) Name of person compensated and registration status**

Indicate whether the person compensated is a registrant.

☐ No ☐ Yes

If the person compensated is an individual, provide the full legal name of the individual.

Family name	First given name	Secondary given names
<input type="text"/>	<input type="text"/>	<input type="text"/>

If the person compensated is not an individual, provide the following information.

Full legal name of non-individual	Firm NRD number (if applicable)
<input type="text"/>	<input type="text"/>

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.

☐ No ☐ Yes

**b) Business contact information**

If a firm NRD number is not provided in Item 8(a), provide the business contact information of the person being compensated.

Street address	Municipality	Province/State	Postal/ZIP code
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Country	Telephone number	Email address	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

**c) Relationship to issuer or investment fund manager**

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B(2) of the Instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

<input type="checkbox"/> Connected with the issuer or investment fund manager	<input type="checkbox"/> Employee of the issuer or investment fund manager
<input type="checkbox"/> Insider of the issuer (other than an investment fund)	<input type="checkbox"/> None of the above
<input type="checkbox"/> Director or officer of the investment fund or investment fund manager	

**d) Compensation details**

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

<input type="checkbox"/> Cash commissions paid	<input type="text"/>	
<input type="checkbox"/> Value of all securities distributed as compensation <sup>a</sup>	<input type="text"/>	Security code1 <input type="text"/> Security code2 <input type="text"/> Security code3 <input type="text"/>
		Describe terms of warrants, options or other rights
		<input type="text"/>
<input type="checkbox"/> Other compensation <sup>b</sup>	<input type="text"/>	Describe
		<input type="text"/>
<b>Total compensation Paid</b>	<input type="text" value="0.0000"/>	

☐ Check box if the person will or may receive any deferred compensation (describe the terms below)

<sup>4</sup> Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

<sup>5</sup> Do not include deferred compensation.

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**ITEM 9 – DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER**

Indicate whether the issuer is any of the following (select the one that applies - if more than one applies, select only one).

- ☒ Reporting issuer in any jurisdiction of Canada
- ☐ Foreign public issuer
- ☐ Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada<sup>6</sup>

Provide name of reporting issuer

- ☐ Wholly owned subsidiary of a foreign public issuer<sup>6</sup>

Provide name of foreign public issuer

- ☐ Issuer distributing only eligible foreign securities and the distribution is to permitted clients only<sup>7</sup>

If the issuer is at least one of the above, do not complete Item 9(a) – (c). Proceed to Item 10.

<sup>6</sup> An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

<sup>7</sup> Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part 8(1) of the Instructions.

- ☐ If the issuer is none of the above, check this box and complete Item 9(a) – (c).

**a) Directors, executive officers and promoters of the issuer**

Provide the following information for each director, executive officer and promoter of the issuer. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to issuer", "D" – Director, "O" – Executive Officer, "P" – Promoter.

Individual?	Organization or company name	Family name First given name Secondary given name	Business location of non-individual or residential jurisdiction of individual	Relationship to issuer (select all that apply)
<input type="checkbox"/> Y <input type="checkbox"/> N	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="checkbox"/> D <input type="checkbox"/> O <input type="checkbox"/> P
	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	

**b) Promoter information**

If the promoter listed above is not an individual, provide the following information for each director and executive officer of the promoter. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to promoter", "D" – Director, "O" – Executive Officer.

Organization or company name	Family name First given name Secondary given name	Residential jurisdiction of individual	Relationship to promoter (select one or both if applicable)
<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="checkbox"/> D <input type="checkbox"/> O
<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	

**c) Residential address of each individual**

Complete [Schedule 2](#) of this form providing the full residential address for each individual listed in Item 9(a) and (b) and attach to the completed report. Schedule 2 also requires information to be provided about control persons.

**ITEM 10 – CERTIFICATION**

Provide the following certification and business contact information of an officer, director or agent of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may be delegated, but only to an agent that has been authorized by an officer or director of the issuer or underwriter to prepare and certify the report on behalf of the issuer or underwriter. If the report is being certified by an agent on behalf of the issuer or underwriter, provide the applicable information for the agent in the boxes below.

If the individual completing and filing the report is different from the individual certifying the report, provide the name and contact details for the individual completing and filing the report in Item 11.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

Securities legislation requires an issuer or underwriter that makes a distribution of securities under certain prospectus exemptions to file a completed report of exempt distribution.

By completing the information below, I certify, on behalf of the issuer/underwriter, to the securities regulatory authority or regulator, as applicable, that I have reviewed this report and to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.

Name of issuer/underwriter/agent			Carbon Streaming Corporation		
Full legal name - Family name		First given name		Secondary given names	
Keams		Conor			
Title		Telephone number		Email address	
Chief Financial Officer		416-786-5658		conor@carbonstreaming.com	
Signature		(signed) "Conor Keams"		Date	
				2021-07-29	

**ITEM 11 – CONTACT PERSON**

Provide the following business contact information for the individual that the securities regulatory authority or regulator may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 10.

☐ Same as individual certifying the report

Full legal name - Family name		First given name		Secondary given names		Title	
Greco		Franca				Securities Law Clerk	
Name of company		Telephone number		Email address			
Stikeman Elliott LLP		416-514-6688		fgreco@stikeman.com			

**Notice – Collection and use of personal information**

The personal information required under this form is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the local jurisdiction(s) where the report is filed, at the address(es) listed at the end of this form.

The attached Schedules 1 and 2 may contain personal information of individuals and details of the distribution(s). The information in Schedules 1 and 2 will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

By signing this report, the issuer/underwriter confirms that each individual listed in Schedule 1 or 2 of the report who is resident in a jurisdiction of Canada:

- has been notified by the issuer/underwriter of the delivery to the securities regulatory authority or regulator of the information pertaining to the individual as set out in Schedule 1 or 2, that this information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and of the title, business address and business telephone number of the public official in the local jurisdiction, as set out in this form, who can answer questions about the securities regulatory authority's or regulator's indirect collection of the information, and
- has authorized the indirect collection of the information by the securities regulatory authority or regulator.

**EDR1627483587-678**

Submission ID

**2021-07-29 11:47:19.094**

Date



**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”)  
4 King Street West, Suite 401  
Toronto, ON, M5H 1B6

**Item 2 Date of Material Change**

July 20, 2021

**Item 3 News Release**

On July 20, 2021, a press release (the “**Press Release**”) was disseminated through Business Wire and filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4 Summary of Material Change**

Carbon Streaming completed a non-brokered private placement (“**Private Placement**”) of 104,901,256 special warrants of the Company (the “**Special Warrants**”) at a price of US\$1.00 per Special Warrant for aggregate gross proceeds to the Company of US\$104.9 million.

**Item 5 Full Description of Material Change****5.1 Full Description of Material Change**

The Company completed the Private Placement, which resulted in the issuance of 104,901,256 Special Warrants at a price of US\$1.00 per Special Warrant.

Each Special Warrant shall be automatically exercised for no additional consideration into one Unit (as defined below) of the Company, subject to adjustment in certain events, at 5:00 pm (Toronto time) on the earliest of: (a) the third business day after the date that a receipt is issued for a final prospectus by Canadian securities regulatory authorities qualifying the Units to be issued upon the exercise of the Special Warrants; and (b) the date that is four months and one day following the closing date. In addition, a holder of Special Warrants may exercise any or all Special Warrants held by them prior to the date that is four months and one day following the closing date, in which case the Units issued on such exercise will be subject to resale restrictions.

Each unit (a “**Unit**”) underlying a Special Warrant shall consist of one common share in the capital of the Company (a “**Common Share**”) and one common share purchase warrant of the Company (a “**Warrant**”). Each Warrant will expire sixty-two (62) months from the date of issuance (the “**Warrant Expiry Date**”) and will entitle the holder thereof to purchase one Common Share (a “**Warrant Share**”) at a price of US\$1.50 per Warrant Share.

The Company intends to use the net proceeds from the Private Placement to finance the acquisition of additional carbon offset projects to grow Carbon Streaming’s portfolio of carbon credits, and for working capital and general corporate purposes.

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### *Related Party Transaction Disclosure*

Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), the Private Placement constituted a “related party transaction” as certain insiders of the Company subscribed for Special Warrants. These transactions are exempt from the formal valuation and minority shareholder approval requirements pursuant to sections 5.5(a) and 5.7(1) of MI 61-101 as the fair market value of the Special Warrants subscribed for by insiders pursuant to the Private Placement does not exceed 25% of the Company’s market capitalization.

The Private Placement was unanimously approved by the board of directors of the Company (the “**Board**”) entitled to vote. The following insiders participated in the Private Placement as follows: Justin Cochrane (Director, President & Chief Executive Officer) subscribed for 125,000 Special Warrants; Conor Kearns (Chief Financial Officer) subscribed for 50,000 Special Warrants; Michael Psihogios (Chief Investment Officer) subscribed for 25,000 Special Warrants; Maurice Swan (Director & Chair of the Board) subscribed for 75,000 special warrants; and Osisko Gold Royalties Ltd. (10% security holder) subscribed for 4,000,000 Special Warrants. Following the completion of the Private Placement, on a partially-diluted basis, each insider will own the following percentages of the Company’s 103,364,237 Common Shares issued and outstanding as of July 21, 2021: Justin Cochrane (1.77%); Conor Kearns (0.45%); Michael Psihogios (0.53%); Maurice Swan (0.37%); and Osisko Gold Royalties Ltd (9.34%).

The Company filed this material change report less than 21 days in advance of the closing of the Private Placement because the Company wished to close the Private Placement on an expedited bases for sound business reasons and in a timeframe consistent with usual market practices for transactions of this nature.

For additional information, see the Press Release dated July 20, 2021, which is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

### **Item 7 Omitted Information**

Not applicable.

### **Item 8 Executive Officer**

For further information, please contact:

Justin Cochrane, Director, President and CEO  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

### **Item 9 Date of Report**

July 29, 2021

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**NEWS RELEASE****CARBON STREAMING PROVIDES  
CORPORATE UPDATE & WEBCAST DETAILS**

TORONTO, ONTARIO, July 27, 2021 – Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) (**NEO: NETZ**) is pleased to provide a corporate update in advance of today’s public listing at 9:30am ET on the Neo Exchange Inc. (“**NEO Exchange**”). The Company is hosting a live webcast at 10:30am ET today, July 27, 2021, and would welcome participation from current and prospective shareholders, alike. Further details on how to register and participate in the webcast are provided below.

**Company Highlights:**

- Carbon Streaming’s ticker symbol on the NEO Exchange is NETZ, in reference to the Company’s mission of financing a net-zero carbon future.
  - The Company’s current cash position is US\$141 million (C\$176 million) and no corporate debt.
  - Carbon Streaming is in a strong financial position to execute its investment strategy of executing carbon credit streaming agreements for high-quality carbon dioxide equivalent (“**CO2e**”) carbon credits. The Company is targeting to have completed investments that have the potential to deliver:
    - 20 million carbon credits per year for 30 years by year-end 2021;
    - 50 million carbon credits per year for 30 years by 2023; and,
    - 100 million carbon credits per year for 30 years by 2025.
  - The Company has announced a carbon credit stream agreement to purchase the greater of 200,000 carbon credits annually or 20% of the annual carbon credits created from the MarVivo blue carbon project, over the 30-year project life.
  - The Company has also announced an exclusive term sheet with the Bonobo Conservation Initiative to develop carbon projects on the Sankuru Nature Reserve and the Kokolopori Bonobo Reserve, which have the potential to remove hundreds of millions of tonnes of CO2e over their 30-year project lives.
  - The Company is actively pursuing investment opportunities with multiple First Nations groups throughout Canada to develop carbon credit projects on their traditional territories. The Company expects news on this initiative before the end of 2021.
  - In addition, the Company is actively pursuing an extensive pipeline of carbon credit streaming and investment opportunities on projects in North and South America, Europe, Africa, and Southeast Asia that would achieve the corporate goals listed above.
  - The Company is also exploring stock exchange listing opportunities in the United States (“**U.S.**”) and is targeting to be listed on a U.S. stock exchange such as the NASDAQ or NYSE by year-end 2021.
-

Justin Cochrane, President and CEO of Carbon Streaming, noted “after 20 months of developing a pipeline of high quality CO2e carbon credit investment opportunities, the Company is fully funded to purchase and register the highest quality carbon credits on the planet as we deliver on our mission of financing a net-zero carbon future.”

## **Webcast**

The general public is invited to join a live webcast on Tuesday July 27, 2021 at 10:30am ET where Mr. Cochrane will provide a brief company update and answer questions from participants. Registration details are available on the Company’s website at [Carbon Streaming Corporation - Events](https://zoom.us/webinar/register/WN_OvF8RntbSSmwYcTQxJJSzw) and at [https://zoom.us/webinar/register/WN\\_OvF8RntbSSmwYcTQxJJSzw](https://zoom.us/webinar/register/WN_OvF8RntbSSmwYcTQxJJSzw)

## **About Carbon Streaming Corporation**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

If you would like to receive corporate updates via e-mail as soon as they are published, please subscribe here: <https://www.carbonstreaming.com/contact/request-information/>.

## **ON BEHALF OF THE COMPANY:**

Justin Cochrane, Director, President and CEO  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

## **Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including, the potential associated with any announced transactions, the ability for term sheets to reach definitive agreements, the expected timing and amount of carbon credit streams acquired; the nature and size of the company’s pipeline, the ability of the Company to obtain a U.S. stock exchange listing) are forward-looking information. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s AIF dated as of June 30, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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**NEWS RELEASE****CARBON STREAMING ANNOUNCES  
LISTING DEBUT ON THE NEO EXCHANGE**

TORONTO, ONTARIO, July 26, 2021 – Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) (**NEO: NETZ**) is pleased to announce that the Neo Exchange Inc. (“**NEO Exchange**”) has granted final approval of the Company’s listing application and that Carbon Streaming will commence trading on the NEO Exchange as of 9:30am ET on Tuesday, July 27, 2021, under the symbol “NETZ”. The Company will host a corporate update during a live webcast at 10:30am ET, following a virtual bell ringing market open ceremony with the NEO Exchange. Further details are provided below.

Justin Cochrane, President and CEO of Carbon Streaming, noted “we are exceptionally proud of what we are building, together with our stakeholders, to deliver on our mission of financing a net-zero and carbon neutral future.” Mr. Cochrane continued, “Our public debut on the NEO Exchange marks yet another strategic milestone for Carbon Streaming, with many more yet to come.”

**Public Listing**

Carbon Streaming’s debut on the NEO Exchange provides investors fresh exposure in the dynamic carbon economy at a global inflection point. The Company is among the first publicly traded carbon offset investment companies on any exchange and affords unique access to the carbon marketplace. The Company also remains posted for trading on the OTC Markets in the United States under the updated ticker “OFSTF”.

**NEO Exchange Bell Ringing Ceremony**

Join us for a Digital Market Open Event celebrating the launch of Carbon Streaming Corporation on the NEO Exchange Tuesday July 27, 2021, at 9:20 am ET. Register here to join the virtual ceremony: Webinar Registration - Zoom

**Carbon Streaming Webcast**

The public is also invited to attend a live webcast following the launch, at 10:30am ET on Tuesday July 27, 2021. During the webcast, Mr. Cochrane will present a Company overview and provide a corporate update to attendees and answer questions. Registration details will be available on the Company’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com).

**About Carbon Streaming Corporation**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

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The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

**About the NEO Exchange Inc.**

The NEO Exchange is Canada's Tier 1 stock exchange for the innovation economy, bringing together investors and capital raisers within a fair, liquid, efficient, and service-oriented environment. Fully operational since June 2015, NEO puts investors first and provides access to trading across all Canadian- listed securities on a level playing field. NEO lists companies and investment products seeking an internationally recognized stock exchange that enables investor trust, quality liquidity, and broad awareness including unfettered access to market data.

**ON BEHALF OF THE COMPANY:**

Justin Cochrane, Director, President and CEO  
Tel: 647.846.7765  
info@carbonstreaming.com  
www.carbonstreaming.com

NEO Exchange does not accept responsibility for the adequacy or accuracy of this news release.

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## FORM 62-103F1

## EARLY WARNING REPORT

This report updates information disclosed in a previous early warning report filed by the Acquiror (as defined herein) on May 14, 2021.

**Item 1 –Security and Reporting Issuer**

- 1.1 *State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.*

**Securities:** This report relates to special warrants (“**Special Warrants**”) of Carbon Streaming Corporation.

**Issuer:** Carbon Streaming Corporation (the “**Issuer**”).

**Address of the head office of the Issuer:**

4 King Street West  
Suite 401  
Toronto, Ontario, Canada  
M5H 1B6

- 1.2 *State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.*

The transaction that triggered the requirement to file this report was an acquisition of Special Warrants of the Issuer by way of a non-brokered private placement of the Issuer.

**Item 2 –Identify of the Acquiror**

- 2.1 *State the name and address of the acquiror.*

Osisko Gold Royalties Ltd (the “**Acquiror**”)  
1100 avenue des Canadiens-de-Montréal  
Suite 300  
Montréal, Québec  
H3B 2S2

- 2.2 *State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.*

On July 19, 2021, the Acquiror acquired beneficial ownership of, or control and direction over 4,000,000 Special Warrants of the Issuer by way of a non-brokered private placement at a price of US\$1.00 per Special Warrant, for an aggregate purchase price of US\$4,000,000 (the “**Transaction**”). Each Special Warrant will entitle the holder to receive, subject to adjustment in certain circumstances and without payment of additional consideration, units of the Issuer comprised of one common share (a “**Share**”) and one common share purchase warrant (a “**Warrant**”) upon the exercise or deemed exercise of each Special Warrant. Each Warrant will entitle the holder to acquire one additional common share (a “**Warrant Share**”) at a price of US\$1.50 per Warrant and expiring sixty- two (62) months from the date of issue.

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**2.3      *State the names of any joint actors.***

Not applicable.

**Item 3 –Interest in Securities of the Reporting Issuer**

**3.1      *State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.***

Immediately prior to the closing of the Transaction, the Acquiror had beneficial ownership of, or control and direction over (i) 6,750,000 common shares; and (ii) 6,000,000 warrants, representing approximately 11.66% of the issued and outstanding common shares on a partially diluted basis assuming full exercise of the Acquiror's Warrants.

Immediately after giving effect to the Transaction, the Acquiror had beneficial ownership of, or control and direction over: (i) 6,750,000 Shares; (ii) 6,000,000 warrants and 4,000,000 Special Warrants, representing approximately 9.51% of the then issued and outstanding common shares of the Issuer on a partially diluted basis assuming full exercise of the Acquiror's Warrants, including those underlying the Special Warrants.

The Acquiror does not own any other securities of the Issuer.

**3.2      *State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.***

See Item 2.2 above.

**3.3      *If the transaction involved a securities lending arrangement, state that fact.***

Not applicable.

**3.4      *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.***

See Item 3.1 above.

**3.5      *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which***

**(a) *the acquiror, either alone or together with any joint actors, has ownership and control;***

See Item 3.1 above.

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- (b) *the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and*

Not applicable.

- (c) *the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.*

Not applicable.

- 3.6 *If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

Not applicable.

- 3.7 *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

Not applicable.

- 3.8 *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

The 4,000,000 Special Warrants were acquired at a price of US\$1.00 per Special Warrant for an aggregate purchase price of US\$4,000,000.

- 4.2 *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

The Acquiror has agreed to pay a cash purchase price of US\$1.00 per Special Warrant for an aggregate purchase price of US\$4,000,000.

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**4.3** *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

Not applicable.

**Item 5 – Purpose of the Transaction**

*State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:*

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;*
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;*
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;*
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;*
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;*
- (f) a material change in the reporting issuer's business or corporate structure;*
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;*
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;*
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;*
- (j) a solicitation of proxies from securityholders;*
- (k) an action similar to any of those enumerated above.*

The Acquiror acquired the securities described herein for investment purposes and in accordance with applicable securities laws, the Acquiror may, from time to time and at any time, acquire additional Shares and/or other equity, debt or other securities or instruments (collectively, “**Securities**”) of the Issuer, and reserves the right to dispose of any or all of its Securities at any time and from time to time, and to engage in similar transactions with respect to the Securities, the whole depending on market conditions, the business and prospects of the Issuer and other relevant factors.

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Except as otherwise disclosed herein, the Acquiror currently has no plans or proposal which would relate to or would result in any of the matters described in Items 5(a)-(k) of Form 62-103F1; however, as part of its ongoing evaluation of this investment and investment alternatives, the Acquiror may consider such matters and, subject to applicable law, may formulate a plan with respect to such matters and, from time to time, may hold discussions with or make formal proposals to management or the board of directors of the Issuer, other shareholders of the Issuer or other third parties regarding such matters.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

*Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.*

In February 2021, the Issuer and the Acquiror executed an investment agreement (the “**Investment Agreement**”) which provides, amongst other things, for the following:

**Participation Rights:** Unless: (i) in the initial 3 years following the date of the Investment Agreement, the Acquiror holds less than an aggregate of 10,800,000 Shares and Warrants of the Issuer; or (ii) at any time after the initial 3 years, the Acquiror, together with its affiliates, holds less than 7.5% of the outstanding Shares on a partially diluted basis: the Acquiror shall have the right to participate in: (i) certain future issuances of offered securities; and (ii) certain future streaming or similar transactions, of the Issuer.

**Nomination Right:** Unless: (i) in the initial 3 years following the date of the Investment Agreement, the Acquiror holds less than an aggregate of 10,800,000 Shares and Warrants of the Issuer; or (ii) at any time after the initial 3 years, the Acquiror, together with its affiliates, holds less than 7.5% of the outstanding Shares on a partially diluted basis, the Acquiror will be entitled to nominate for election, on an annual basis, one (1) nominee for election or appointment to the board of directors of the Issuer.

**Item 7 – Change in Material Fact**

*If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.*

Not applicable.

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**Item 8 – Exemption**

*If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.*

Not applicable.

**Item 9 – Certification Certificate**

I, as the Acquiror, certify, to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

**DATED** this 21<sup>st</sup> day of July 2021.

**OSISKO GOLD ROYALTIES LTD**

*(s) André Le Bel*

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André Le Bel  
Vice President, Legal Affairs and Corporate Secretary

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### EARLY WARNING RELEASE

(Montréal, July 21, 2021) Osisko Gold Royalties Ltd (TSX & NYSE:OR) (“**Osisko**”) announces that it has subscribed for and received from Carbon Streaming Corporation (“**Carbon Streaming**”) 4,000,000 special warrants (the “**Special Warrants**”) at a price of US\$1.00 per Special Warrant, for an aggregate subscription price of US\$4,000,000 pursuant to a non-brokered private placement (the “**Transaction**”). Each Special Warrant will entitle the holder to receive, subject to adjustment in certain circumstances and without payment of additional consideration, units of Carbon Streaming comprised of one common share (a “**Share**”) and one common share purchase warrant (a “**Warrant**”) upon the exercise or deemed exercise of each Special Warrant. Each Warrant will entitle the holder to acquire one additional common share (a “**Warrant Share**”) at a price of US\$1.50 per Warrant Share and expiring sixty-two (62) months from the date of issue.

Immediately prior to the closing of the Transaction, Osisko had beneficial ownership of, or control and direction over (i) 6,750,000 Shares; and (ii) 6,000,000 Warrants, representing approximately 11.66% of the issued and outstanding common shares of Carbon Streaming on a partially diluted basis assuming full exercise of Osisko’s Warrants.

Immediately after giving effect to the Transaction, Osisko had beneficial ownership of, or control and direction over: (i) 6,750,000 Shares; (ii) 6,000,000 Warrants and 4,000,000 Special Warrants, representing approximately 9.51% of the issued and outstanding Shares on a partially diluted basis assuming full exercise of Osisko’s Warrants, including those underlying the Special Warrants.

Osisko acquired the securities described in this press release for investment purposes and in accordance with applicable securities laws, Osisko may, from time to time and at any time, acquire additional common shares and/or other equity, debt or other securities or instruments (collectively, “**Securities**”) of Carbon Streaming and reserves the right to dispose of any or all of its Securities at any time and from time to time, and to engage in similar transactions with respect to the Securities, the whole depending on market conditions, the business and prospects of Carbon Streaming and other relevant factors.

This news release is issued under the early warning provisions of the Canadian securities legislation. A copy of the early warning report to be filed by Osisko in connection with the Transaction described above will be available on SEDAR under Carbon Streaming’s profile.

### About Osisko Gold Royalties Ltd

Osisko is an intermediate precious metal royalty company focused on the Americas that commenced activities in June 2014. Osisko holds a North American focused portfolio of over 150 royalties, streams and precious metal offtakes. Osisko’s portfolio is anchored by its cornerstone asset, a 5% net smelter return royalty on the Canadian Malartic mine, which is the largest gold mine in Canada.

Osisko’s head office is located at 1100 Avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, H3B 2S2.

### For further information, please contact Osisko Gold Royalties Ltd:

Heather Taylor  
Vice President, Investor Relations Tel: (514) 940-0670 #105  
Email: [htaylor@osiskogr.com](mailto:htaylor@osiskogr.com)



## NEWS RELEASE

**CARBON STREAMING COMPLETES US\$104.9 MILLION  
PRIVATE PLACEMENT OF SPECIAL WARRANTS**

**/ NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION,  
DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO  
THE UNITED STATES /**

TORONTO, ONTARIO, July 20, 2021 – Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) is pleased to announce that it has completed a non-brokered private placement (the “**Private Placement**”) of **104,901,256** special warrants of the Company (the “**Special Warrants**”) at a price of US\$1.00 per Special Warrant for aggregate gross proceeds to the Company of US\$104.9 million.

**Highlights:**

- Carbon Streaming completed a non-brokered private placement financing of 104,901,256 Special Warrants at a price of US\$1.00 per Special Warrant for proceeds of US\$104.9 million.
- No broker commissions were paid on the completion of this non-brokered private placement.
- Each Special Warrant will be automatically exercised for one common share of the Company (a “**Common Share**”) and one full Common Share purchase warrant (a “**Warrant**”) with a term of 62 months at an exercise price of US\$1.50 per Warrant.
- With over US\$140 million (CAD\$178 million) of cash on hand and no corporate debt, the Company is in a strong financial position to execute its investment strategy.
- The Company expects to complete its initial listing on the Neo Exchange Inc. (the “**NEO Exchange**”) within 30 days and will issue a news release and host a webcast once final approval is received.

Justin Cochrane, President and Chief Executive Officer of Carbon Streaming, commented “This marks an important day for Carbon Streaming. I personally thank the participants of the Private Placement for their overwhelming support and shared vision for the Company. Funds from this placement provide the Company with additional cash resources to continue building our unique and diversified portfolio of nature and technology-based solutions in the carbon credits space. Carbon Streaming is well positioned to become the preferred strategic partner as we accelerate and scale the market for carbon offsets by investing in projects that would otherwise go undeveloped.”

**Private Placement:**

Each Special Warrant shall be automatically exercised for no additional consideration into one Unit (as defined below) of the Company, subject to adjustment in certain events, at 5:00pm (Toronto time) on the earliest of: (a) the third business day after the date that a receipt is issued for a final prospectus by Canadian securities regulatory authorities qualifying the Units to be issued upon the exercise of the Special Warrants; and (b) the date that is four months and one day following the closing date. In addition, a holder of Special Warrants may exercise any or all Special Warrants held by them prior to the date that is four months and one day following the closing date, in which case the Units issued on such exercise will be subject to resale restrictions.

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Each unit (a “**Unit**”) underlying a Special Warrant shall consist of one Common Share in the capital of the Company and one Warrant of the Company. Each Warrant will expire sixty-two (62) months from the date of issuance (the “**Warrant Expiry Date**”) and will entitle the holder thereof to purchase one Common Share (a “**Warrant Share**”) at a price of US\$1.50 per Warrant Share.

The Company intends to use the net proceeds from the Private Placement to finance the acquisition of additional carbon offset projects to grow Carbon Streaming’s portfolio of carbon credits, and for working capital and general corporate purposes. The proceeds from the private placement, in conjunction with the Company’s Q3 March 31, 2021 cash balance of C\$35.4 million, provides a strong financial position from which to execute the Company’s investment strategy.

The Private Placement was executed using state-of-the-art DealMaker tech private placement software. It seamlessly closed investments from over 1,800 global investors in less than five weeks, in a secure and efficient manner, with no broker commissions paid. “DealMaker is the capital-raising tool of the future” stated Carbon Streaming’s Chief Financial Officer Conor Kearns, “Carbon Streaming’s investors can expect more similar innovations in every facet of our business in the years to come.”

All Special Warrants (and all underlying Units, Common Shares and Warrants) issued under the Private Placement will be subject to a statutory four-month and a day hold period from the closing date.

In connection with the Private Placement, the Company has agreed to use its commercially reasonable efforts to: (a) file and obtain a receipt for a preliminary prospectus in certain Canadian provinces as soon as practicable following the date hereof; and (b) file and obtain a receipt for a final prospectus in all such provinces as soon as practicable thereafter to allow for free tradability of the Units in Canada issuable upon exercise of the Special Warrants. The Company intends to apply at a later date to list the Common Shares and the Warrants issuable pursuant to the Private Placement on the NEO Exchange.

As previously announced, NEO Exchange has conditionally approved the listing of Common Shares and the Common Share purchase warrants issued pursuant to the private placement announced on March 24, 2021, subject to the Company fulfilling all of NEO Exchange’s listing requirements on or before September 23, 2021, including the minimum distribution requirements.

A more detailed corporate update will be provided by Carbon Streaming’ management prior to the public listing. Information to access and participate in the corporate webcast will be posted to the Company’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com).

Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), the Private Placement constitutes a “related party transaction” as certain insiders of the Company have subscribed for Special Warrants. These transactions are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of any Special Warrants subscribed for by insiders pursuant to the Private Placement do not exceed 25% of the Company’s market capitalization.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in the United States nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), or any state securities laws and may not be offered or sold in the United States unless registered under the 1933 Act and any applicable securities laws of any state of the United States or an applicable exemption from the registration requirements is available.

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## About Carbon Streaming Corporation

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

If you would like to receive corporate updates via e-mail as soon as they are published, please subscribe here: <https://www.carbonstreaming.com/contact/request-information/>.

### ON BEHALF OF THE COMPANY:

Justin Cochrane, Director, President and CEO  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

### Cautionary Statement Regarding Forward-Looking Information

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including, without limitation, the anticipated use of proceeds of the Private Placement, sufficiency of funding to execute the Company’s strategy, the timing to complete the NEO Exchange listing and related press release and webcast, the timing and completion of the Company’s non-offering prospectus filing to qualify the distribution of the Special Warrants (and underlying Units), the application to the NEO Exchange to list the Common Shares and Warrants issuable pursuant to the Private Placement and the use of innovations in the business) are forward-looking information. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s AIF dated as of June 30, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.


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CARBON STREAMING CORPORATION  
~~MEXIVADA MINING CORP.~~  
(the “Company”)

*Incorporation number:*  
BC0704014

EFFECTIVE  
DATE OF  
ARTICLES: September 13, 2004

The Company has as its articles the following articles.

Full name and signature of authorized signatory	Date of signing
	
<u>Kenneth L.H. Embree</u>	<u>September 13, 2004</u>



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## 1. INTERPRETATION

### 1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (2) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) “*Interpretation Act*” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) “legal personal representative” means the personal or other legal representative of the shareholder;
- (5) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (6) “seal” means the seal of the Company, if any.

### 1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were set out herein. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

## 2. SHARES AND SHARE CERTIFICATES

### 2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

### 2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

### 2.3 Shareholder Entitled to Certificate or Acknowledgment

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name or (b) a non-transferable written acknowledgment of the shareholder’s right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate to one of several joint shareholders or to one of the shareholders’ duly authorized agents will be sufficient delivery to all.

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## **2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

## **2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

## **2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment**

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

- (1) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and
- (2) any indemnity the directors consider adequate.

## **2.7 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

## **2.8 Certificate Fee**

There must be paid as a fee to the Company for issuance of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any determined by the directors, which must not exceed the amount prescribed under the *Business Corporations Act*.

## **2.9 Recognition of Trusts and Partial Interests in Shares**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

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### 3. ISSUE OF SHARES

#### 3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

#### 3.2 Commissions and Discounts

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

#### 3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

#### 3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

- (a) past services performed for the Company;
- (b) property;
- (c) money; and

(2) the directors in their discretion have determined that the value of the consideration received by the Company is equal to or greater than the issue price set for the share under Article 3.1.

#### 3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options, convertible debentures and rights upon such terms and conditions as the directors determine, which share purchase warrants, options, convertible debentures and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

### 4. SHARE REGISTERS

#### 4.1 Central Securities Register and any Branch Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register and may maintain a branch securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register or any branch securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

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## **4.2 Closing Register**

The Company must not at any time close its central securities register.

## **5. SHARE TRANSFERS**

### **5.1 Registering Transfers**

A transfer of a share of the Company must not be registered unless:

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

For the purpose of this Article, delivery or surrender to the agent which maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

### **5.2 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

### **5.3 Transferor Remains Shareholder**

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

### **5.4 Signing of Instrument of Transfer**

If a shareholder, or his or her duly authorized attorney, signs an authorized instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
  - (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.
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### **5.5 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

### **5.6 Transfer Fee**

There must be paid as a fee to the Company, registration of any transfer, the amount, if any, determined by the directors.

## **6. TRANSMISSION OF SHARES**

### **6.1 Legal Personal Representative Recognized on Death**

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require a declaration of transmission made by the legal personal representative stating the particulars of the transmission, proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

### **6.2 Rights of Legal Personal Representative**

The legal personal representative has the same rights, privileges and obligations with respect to the shares as were held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

## **7. PURCHASE OF SHARES**

### **7.1 Company Authorized to Purchase Shares**

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by resolution of the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

### **7.2 Purchase When Insolvent**

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
  - (2) making the payment or providing the consideration would render the Company insolvent.
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### 7.3 Redemption of Shares

If the Company proposes to redeem some but not all of the shares of any class, the Directors may, subject to any special rights and restrictions attached to such class of shares, decide the manner in which the shares to be redeemed shall be selected.

### 7.4 Sale and Voting of Purchased Shares

If the Company retains a share which it has redeemed, purchased or otherwise acquired, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

## 8. BORROWING POWERS

### 8.1 Powers of Company

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

### 8.2 Bonds, Debentures, Debt

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of Directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Directors may determine.

## 9. ALTERATIONS

### 9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors:
-

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
  - (d) if the Company is authorized to issue shares of a class of shares with par value:
    - (i) decrease the par value of those shares; or
    - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
  - (e) change all or any of its unissued shares with par value into shares without par value or any of its unissued shares without par value into shares with par value or change all or any of its fully paid issued shares with par value into shares without par value; or
  - (f) alter the identifying name of any of its shares; and
- (2) by ordinary resolution otherwise alter its shares or authorized share structure.

## 9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares, if none of those shares have been issued; and
- (2) by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above if any of the shares of the class or series of shares have been issued.

## 9.3 Change of Name

The Company may by resolution of its directors or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name.

## 9.4 Other Alterations

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and
  - (2) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, by ordinary resolution alter these Articles.
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## **10. MEETINGS OF SHAREHOLDERS**

### **10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

### **10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

### **10.3 Calling of Meetings of Shareholders**

The directors may, whenever they think fit, call a meeting of shareholders.

### **10.4 Location of Meetings of Shareholders**

A meeting of the Company may be held:

- (1) in the Province of British Columbia;
- (2) at another location outside British Columbia if that location is:
  - (a) approved by resolution of the directors before the meeting is held; or
  - (b) approved in writing by the Registrar of Companies before the meeting is held.

### **10.5 Notice for Meetings of Shareholders**

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

### **10.6 Record Date**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of and to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

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- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

#### **10.7 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

#### **10.8 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting or a circular prepared in connection with the meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document :
  - (a) will be available for inspection by shareholders at the Company's head office, or at such other reasonably accessible location in Ontario or British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting; and
  - (b) may provide that the document is available by request from the Company or accessible electronically or on a website as determined by the directors.

### **11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

#### **11.1 Special Business**

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
  - (2) at an annual general meeting, all business is special business except for the following:
    - (a) business relating to the conduct of or voting at the meeting;
    - (b) consideration of any financial statements of the Company presented to the meeting;
    - (c) consideration of any reports of the directors or auditor;
    - (d) the setting or changing of the number of directors;
    - (e) the election or appointment of directors;
    - (f) the appointment of an auditor;
    - (g) the setting of the remuneration of an auditor;
-

- (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
- (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution (when such resolution is required by law) at a meeting of shareholders is two-thirds of the votes cast on the resolution.

### **11.3 Quorum**

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one person present in person or by proxy.

### **11.4 Other Persons May Attend**

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

### **11.5 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

### **11.6 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

### **11.7 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting shall constitute a quorum.

### **11.8 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
  - (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.
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### **11.9 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president willing to act as chair of the meeting or present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose a director, officer or corporate counsel to be chair of the meeting or if none of the above persons are present or if they decline to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

### **11.10 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **11.11 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

### **11.12 Decisions by Show of Hands or Poll**

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

### **11.13 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.12, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

### **11.14 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

### **11.15 Casting Vote**

In case of an equality of votes, the chair of a meeting of shareholders, either on a show of hands or on a poll, has a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

### **11.16 Manner of Taking Poll**

Subject to Article 11.17, if a poll is duly demanded at a meeting of shareholders:

(1) the poll must be taken:

(a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

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- (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

#### **11.17 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

#### **11.18 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

#### **11.19 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

#### **11.20 Demand for Poll**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

#### **11.21 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

#### **11.22 Retention of Ballots and Proxies**

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

### **12. VOTES OF SHAREHOLDERS**

#### **12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
  - (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.
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## **12.2 Votes of Persons in Representative Capacity**

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

## **12.3 Votes by Joint Holders**

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting, either in person or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

## **12.4 Legal Personal Representatives as Joint Shareholders**

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

## **12.5 Representative of a Corporate Shareholder**

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must:
  - (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
  - (b) at the discretion of the chair, be provided at the meeting to the chair of the meeting or to a person designated by the chair of the meeting;
- (2) if a representative is appointed under this Article 12.5:
  - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation that is a shareholder may appoint a proxy holder.

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## **12.6 Proxy Provisions Do Not Apply to All Companies**

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

## **12.7 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint up to two proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

## **12.8 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

## **12.9 When Proxy Holder Need Not Be Shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

## **12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

## **12.11 Validity of Proxy Vote**

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

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- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) by the chair of the meeting, before the vote is taken.

12.12Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]  
(the “Company”)

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the shareholder): \_\_\_\_\_

Signed [month, day, year]

\_\_\_\_\_  
[Signature of shareholderJ

\_\_\_\_\_  
[Name of shareholder-printed]

12.13Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) provided, at the meeting, to the chair of the meeting.

12.14Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

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## **12.16 Electronic Meetings and Voting**

The directors may determine that a meeting of shareholders shall be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate with each other during the meeting, and any vote at that meeting of shareholders shall be held entirely by means of that communication facility. A meeting of shareholders may also be held at which some, but not all, persons entitled to attend may participate and vote by means of such a communication facility, if the directors determine to make one available. A person participating in a meeting by such means is deemed to be present at the meeting. Any vote at a meeting of shareholders may be also held entirely by means of a telephonic, electronic or other communication facility, if the directors determine to make one available, even if none of the persons entitled to attend otherwise participates in the meeting by means of a communication facility. For the purpose of voting, a communication facility that is made available by the Company must enable the votes to be gathered in a manner that adequately discloses the intentions of the shareholders and permits a proper tally of the votes to be presented to the Company. The instructing of proxy holders may be carried out by means of telephonic, electronic or other communication facility in addition to or in substitution for instructing proxy holders by mail.

## **13. DIRECTORS**

### **13.1 Number of Directors**

The number of directors shall be determined from time to time by the board of directors but shall not be fewer than three (3) directors if the Company is a public company.

### **13.2 Change in Number of Directors**

If the number of directors is set under Articles 13.1(2) or 13.1(3):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

### **13.3 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

### **13.4 Qualifications of Directors**

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

### **13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

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### **13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

### **13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

### **13.8 Gratuity, Pension or Allowance on Retirement of Director**

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## **14. ELECTION AND REMOVAL OF DIRECTORS**

### **14.1 Election at Annual General Meeting**

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) those directors whose term of office expires at the annual general meeting cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re appointment.

### **14.2 Consent to be a Director**

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*; or
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

### **14.3 Failure to Elect or Appoint Directors**

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
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- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

#### **14.4 Places of Retiring Directors Not Filled**

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

#### **14.5 Directors May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the directors.

#### **14.6 Remaining Directors Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

#### **14.7 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **14.8 Additional Directors**

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately upon the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

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### **14.9 Ceasing to be a Director**

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

### **14.10 Removal of Director by Shareholders**

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

### **14.11 Removal of Director by Directors**

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

## **15. ALTERNATE DIRECTORS**

### **15.1 Appointment of Alternate Director**

Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

### **15.2 Notice of Meetings**

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

### **15.3 Alternate for More Than One Director Attending Meetings**

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
  - (2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
  - (3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
  - (4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.
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#### **15.4 Consent Resolutions**

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

#### **15.5 Alternate Director Not an Agent**

Every alternate director is deemed not to be the agent of his or her appointor.

#### **15.6 Revocation of Appointment of Alternate Director**

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

#### **15.7 Ceasing to be an Alternate Director**

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

#### **15.8 Remuneration and Expenses of Alternate Director**

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

### **16. POWERS AND DUTIES OF DIRECTORS**

#### **16.1 Powers of Management**

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

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## **16.2 Appointment of Attorney of Company**

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill ( ) vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

## **16.3 Remuneration of Auditors**

The directors may set the remuneration of the auditors. If the directors so decide, the remuneration of the auditors will be determined by the shareholders.

## **17. DISCLOSURE OF INTEREST OF DIRECTORS**

### **17.1 Obligation to Account for Profits**

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

### **17.2 Restrictions on Voting by Reason of Interest**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

### **17.3 Interested Director Counted in Quorum**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

### **17.4 Disclosure of Conflict of Interest or Property**

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

### **17.5 Director Holding Other Office in the Company**

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

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### 17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company is invalid merely because:

- (1) a director or senior officer of the company has an interest, direct or indirect, in the contract or transaction;
- (2) a director or senior officer of the company has not disclosed an interest he or she has in the contract or transaction; or
- (3) the directors or shareholders of the company have not approved the contract or transaction in which a director or senior officer of the company has an interest.

### 17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

### 17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## 18. PROCEEDINGS OF DIRECTORS

### 18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

### 18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting has a second or casting vote.

### 18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
  - (2) in the absence of the chair of the board or if designated by the chair, the president, a director or other officer; or
  - (3) any other director or officer chosen by the directors if:
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- (a) neither the chair of the board nor the president is present at the meeting within 15 minutes after the time set for holding the meeting;
- (b) neither the chair of the board nor the president is willing to chair the meeting; or
- (c) the chair of the board and the president have advised the secretary, if any, or any other director, that they will not be present at the meeting.

#### **18.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

#### **18.5 Calling of Meetings**

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

#### **18.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

#### **18.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

#### **18.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

#### **18.9 Waiver of Notice of Meetings**

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

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### **18.10 Quorum**

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

### **18.11 Validity of Acts Where Appointment Defective**

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

### **18.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## **19. EXECUTIVE AND OTHER COMMITTEES**

### **19.1 Appointment and Powers of Executive Committee**

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

### **19.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
  - (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
-

- (a) the power to fill vacancies in the board of directors;
  - (b) the power to remove a director;
  - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
  - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### **19.3 Obligations of Committees**

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times and in such manner and form as the directors may require.

### **19.4 Powers of Board**

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

### **19.5 Committee Meetings**

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

## **20. OFFICERS**

### **20.1 Directors May Appoint Officers**

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

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## 20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

## 20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

## 20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive\_, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## 21. INDEMNIFICATION

### 21.1 Definitions

In this Article 21, “expenses” has the meaning set out in the *Business Corporations Act*.

### 21.2 Mandatory Indemnification of Directors and Officers

The directors must cause the Company to indemnify its directors and officers, and former directors and officers, and alternate directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by the *Business Corporations Act*. Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in this section.

### 21.3 Mandatory Payment of Expenses of Directors and Officers

The directors must cause the Company to pay the expenses reasonably and actually incurred by its directors and officers, and former directors and officers, and alternate directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by the *Business Corporations Act*. Each director and officer is deemed to have contracted with the Company on the terms of the indemnity referred to in this section.

### 21.4 Indemnification

Subject to any restrictions in the *Business Corporations Act* and these Articles, the Company may indemnify any other person.

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### **21.5 Non-Compliance with *Business Corporations Act***

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

### **21.6 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

## **22. DIVIDENDS**

### **22.1 Payment of Dividends Subject to Special Rights**

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

### **22.2 Declaration of Dividends**

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

### **22.3 No Notice Required**

The directors need not give notice to any shareholder of any declaration under Article 22.2.

### **22.4 Record Date**

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

### **22.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

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## **22.6 Settlement of Difficulties**

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

## **22.7 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

## **22.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

## **22.9 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

## **22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

## **22.11 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

## **22.12 Payment of Dividends**

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

## **22.13 Capitalization of Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

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## **23. DOCUMENTS, RECORDS AND REPORTS**

### **23.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

### **23.2 Inspection of Accounting Records**

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

## **24. NOTICES**

### **24.1 Method of Giving Notice**

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
  - (a) for a record mailed to a shareholder, the shareholder's registered address;
  - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
  - (a) for a record delivered to a shareholder, the shareholder's registered address;
  - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient.

### **24.2 Deemed Receipt of Mailing**

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

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### **24.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

### **24.4 Notice to Joint Shareholders**

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

### **24.5 Notice to Trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
  - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

## **25. SEAL**

### **25.1 Who May Attest Seal**

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

### **25.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

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### 25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or (other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

## 26. PROHIBITIONS

### 26.1 Definitions

In this Article 26:

- (1) “designated security” means:
  - (a) a voting security of the Company;
  - (b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
  - (c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (2) “security” has the meaning assigned in the *Securities Act* (British Columbia);
- (3) “voting security” means a security of the Company that:
  - (a) is not a debt security, and
  - (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

### 26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

### 26.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

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INCORPORATION AGREEMENT

I wish to form a company under the *Business Corporations Act* in accordance with the terms of this agreement.

- 1. The name of the Company shall be “**Mexivada Mining Corp.**”.
- 2. The authorized capital of the Company shall consist of an unlimited number of Common shares without par value.
- 3. I agree to take the number and kind of shares in the Company set opposite my. name.



\_\_\_\_\_  
Signature of Incorporator

*Kenneth L.H. Embree*  
\_\_\_\_\_  
Name of Incorporator

September 13, 2004  
\_\_\_\_\_  
Date

1 Common share without par value

\_\_\_\_\_



BC Registry  
Services

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
www.corporateonline.gov.bc.ca

Location:  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

**CERTIFIED COPY**  
Of a Document filed with the Province of  
British Columbia Registrar of Companies

## Notice of Articles

BUSINESS CORPORATIONS ACT

  
CAROL PREST

*This Notice of Articles was issued by the Registrar on: June 2, 2020 09:47 AM Pacific Time*

*Incorporation Number: **BC0704014***

*Recognition Date and Time: Incorporated on September 13, 2004 02:10 PM Pacific Time*

### NOTICE OF ARTICLES

Name of Company:

MEXIVADA MINING CORP.

### REGISTERED OFFICE INFORMATION

Mailing Address:

P.O. BOX 49130, 2900 BURNARD STREET  
VANCOUVER BC V7X 1J5  
CANADA

Delivery Address:

2900 - 595 BURNARD STREET  
VANCOUVER BC V7K 1J5  
CANADA

### RECORDS OFFICE INFORMATION

Mailing Address:

P.O. BOX 49130, 2900 BURNARD STREET  
VANCOUVER BC V7X 1J5  
CANADA

Delivery Address:

2900 - 595 BURNARD STREET  
VANCOUVER BC V7X 1J5  
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:  
Wells, Colin

Mailing Address:  
1100 - 1111 MELVILLE STREET  
VANCOUVER BC V6E 3V6  
CANADA

Delivery Address:  
1100 - 1111 MELVILLE STREET  
VANCOUVER BC V6E 3V6  
CANADA

Last Name, First Name, Middle Name:  
Jang, Ming

Mailing Address:  
504 - 602 WEST HASTINGS STREET  
VANCOUVER BC V6B 1P2  
CANADA

Delivery Address:  
504 - 602 WEST HASTINGS STREET  
VANCOUVER BC V6B 1P2  
CANADA

Last Name, First Name, Middle Name:  
Redfern, Richard Robert

Mailing Address:  
1982 RUBY VIEW DRIVE  
ELKO NV 89801-2688  
UNITED STATES

Delivery Address:  
1982 RUBY VIEW DRIVE  
ELKO NV 89801-2688  
UNITED STATES

Last Name, First Name, Middle Name:  
Fruese, Edgar W.

Mailing Address:  
PO BOX 100  
BOWEN ISLAND BC V0N 1G0  
CANADA

Delivery Address:  
1287 SCARBOROUGH ROAD  
BOWEN ISLAND BC V0N 1G1  
CANADA

AUTHORIZED SHARE STRUCTURE

1. No Maximum	Common Shares	Without Par Value
		Without Special Rights or Restrictions attached



Number: BC0704014

# **CERTIFICATE OF CHANGE OF NAME**

*BUSINESS CORPORATIONS ACT*

I Hereby Certify that MEXIVADA MINING CORP. changed its name to CARBON STREAMING CORPORATION on June 15, 2020 at 10:52 AM Pacific Time.



ELECTRONIC CERTIFICATE

*Issued under my hand at Victoria, British Columbia  
On June 15, 2020*

**CAROL PREST**  
*Registrar of Companies*  
Province of British Columbia  
Canada



Number: BC0704014

# CERTIFICATE OF RESTORATION

*BUSINESS CORPORATIONS ACT*

*I Hereby Certify that MEXIVADA MINING CORP., which was recognized on September 13, 2004 at 02:10 PM Pacific Time under certificate number BC0704014, and was dissolved on February 26, 2018 at 11:20 PM Pacific Time, has on July 24, 2019 at 02:41 PM Pacific Time been restored under the Business Corporations Act.*

*Issued under my hand at Victoria, British Columbia*

*On July 24, 2019*

**CAROL PREST**  
*Registrar of Companies*  
Province of British Columbia  
Canada



DUPLICATE



Number: BC0704014

# **CERTIFICATE OF INCORPORATION**

*BUSINESS CORPORATIONS ACT*

I Hereby Certify that MEXIVADA MINING CORP. was incorporated under the Business Corporations Act on September 13, 2004 at 02:10 PM Pacific Time.



*Issued under my hand at Victoria, British Columbia  
On September 13, 2004*

A handwritten signature in black ink, appearing to read "J. Powell".

**JOHN S. POWELL**  
*Registrar of Companies*  
Province of British Columbia  
Canada

**NEWS RELEASE****CARBON STREAMING ANNOUNCES  
CONDITIONAL APPROVAL TO LIST  
ON THE NEO EXCHANGE AND FILING  
OF ANNUAL INFORMATION FORM**

TORONTO, ONTARIO, July 15, 2021 – Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) is pleased to announce receipt of conditional approval for listing with the Neo Exchange Inc. (the “**NEO Exchange**”), a tier one Canadian stock exchange based in Toronto.

On June 25, 2021, the NEO Exchange conditionally approved the Company’s application for the listing of its common shares (“**Shares**”) and all of the warrants issued pursuant to the private placement announced on March 24, 2021 (the “**Warrants**”) on the NEO Exchange. Listing is subject to the Company fulfilling all of the requirements of the NEO Exchange, including distribution of the Shares to a minimum number of public shareholders. In connection with the proposed listing, the Company has reserved the stock symbol “NETZ” in reference to the Company’s abiding mission to financing a “net-zero” carbon future.

In conjunction with this conditional approval for listing with the NEO Exchange, the Company is filing its Annual Information Form (“**AIF**”) dated as of June 30, 2021, now available on the Company’s website and on SEDAR at [www.sedar.com](http://www.sedar.com).

Justin Cochrane, President and CEO of Carbon Streaming, noted “this is an exciting time for the Company, and we are delighted to be listing with the NEO Exchange, known as Canada’s stock exchange for the innovation economy, which embodies our shared values of innovation and excellence.” Mr. Cochrane continued, “We are further pleased to provide the public access to our first AIF, demonstrating our commitment to providing relevant and timely information to investors and our broader stakeholder community.”

**About Carbon Streaming Corporation**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

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**ON BEHALF OF THE COMPANY:**

Justin Cochrane, Director, President and CEO  
Tel: 647.846.7765  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

**Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain forward-looking statements and forward-looking information (collectively, ‘forward-looking information’) within the meaning of applicable securities laws. 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 (including, without limitation, the timing and listing of the Company’s Shares and Warrants on the NEO Exchange and receipt of final approval for listing from the NEO Exchange) are forward-looking information. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward- looking information, 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. Factors that could cause actual results or events to differ materially from current expectations include, among other things: general economic, market and business conditions and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s AIF dated as of June 30, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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**AMALGAMATION AGREEMENT**

**THIS AGREEMENT** is dated effective the 15th day of June, 2020.

**AMONG: CARBON STREAMING CORPORATION**

a corporation incorporated under the laws of the Province of British Columbia  
("CSC")

**AND: 1247374 B.C. LTD.**

a corporation incorporated under the laws of the Province of British Columbia  
("Subco")

**AND: 1247372 B.C. LTD.**

a corporation incorporated under the laws of the Province of British Columbia  
("Finco")

**WHEREAS** Subco is a wholly-owned subsidiary of CSC, has not carried on any active business, and was formed for the sole purpose of effecting an amalgamation with Finco;

**AND WHEREAS** Subco and Finco wish to amalgamate and continue as one corporation ("**Amalco**"), whereby the securityholders of Finco will receive similar securities of CSC, in accordance with the terms and conditions hereof;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the mutual covenants and agreements herein contained and other lawful and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**1. Definitions**

In this Agreement (including the recitals hereto) and each Appendix hereto:

"**Agreement**" means this amalgamation agreement.

"**Amalco**" means the corporation resulting from the Amalgamation.

"**Amalco Share**" means a common share in the capital of Amalco; and "**Amalco Shares**" means all of them collectively.

"**Amalgamation**" means the amalgamation of Subco and Finco on the terms and conditions set forth in this Agreement.

"**Amalgamation Application**" means, collectively: (i) a completed Form 13 - Amalgamation Application (in the form attached as Appendix A hereto), (ii) an affidavit of an officer or director of each of Finco and Subco required under section 277(1) of the BCBCA; (iii) a copy of this Agreement or directors' resolutions approving the Amalgamation; and (iv) the applicable filing fee.

"**Amalgamating Corporations**" means Subco and Finco.

"**Articles of Amalgamation**" means the articles of amalgamation of Amalco substantially in the form set out in Appendix B hereto.

“**BCBCA**” means the *Business Corporations Act* (British Columbia) as amended, including the regulations promulgated thereunder;

“**Business Day**” means a day other than a Saturday, Sunday or a civic or statutory holiday in the Province of British Columbia.

“**CSC Securities**” means collectively the CSC Shares and CSC Warrants to be issued under the Amalgamation.

“**CSC Shares**” means the post-Consolidation common shares in the capital of CSC; and “**CSC Share**” mean any one of them.

“**CSC Warrant**” means a share purchase warrant to be issued to a holder of a Finco Warrant, each warrant entitling the holder thereof to acquire one post-consolidation CSC Share at \$0.125 for a period of five years following the Effective Date; and “**CSC Warrants**” means more than one of them.

“**Effective Date**” means the date when the Amalgamation Application has been accepted for filing by the British Columbia Registrar of Companies.

“**Material Adverse Effect**” means, as used in connection with events, contingencies, claims or other matters expressly relating to this Agreement, a matter which might adversely affect the condition (financial or otherwise), operations, business or prospects of any party hereto, and which a reasonably prudent investor would consider important in deciding whether to proceed with the transactions hereunder on the terms provided herein.

“**Finco Securities**” means collectively the Finco Shares and Finco Warrants.

“**Finco Shares**” means the common shares in the capital of Finco; and a “**Finco Share**” means any one of them.

“**Finco Shareholder**” means a registered holder of Finco Shares immediately prior to the filing of this Agreement.

“**Finco Warrant**” means a Finco Share purchase warrant, each Finco Warrant entitling the holder thereof to acquire one Finco Share at \$0.05 for a period of five years; and “**Finco Warrants**” means more than one of them.

“**Transaction**” means the three-cornered amalgamation whereby Finco will amalgamate with Subco, pursuant to which the Finco Shareholders will receive CSC Shares, holders of Finco Warrants will receive CSC Warrants, and CSC shall be the sole shareholder of Amalco.

## **2. Amalgamation**

The Amalgamating Corporations hereby agree to amalgamate and continue as one corporation pursuant to the provisions of the BCBCA, and upon the terms and conditions hereinafter set out.

To this end, this Agreement must be submitted to the shareholders of each of the Amalgamating Corporations, for their approval, as required by the BCBCA. Once the approval of the shareholders has been obtained, the directors and officers of each of the Amalgamating Corporations will be authorized by means of this Agreement to execute all necessary actions in order to carry out this Agreement.

### 3. Effect of Amalgamation

On the Effective Date, subject to the BCBCA:

- (a) the amalgamation of the Amalgamating Corporations and their continuance as Amalco, under the terms and conditions prescribed in this Agreement, shall be effective;
- (b) the property of each of the Amalgamating Corporations shall continue to be the property of Amalco;
- (c) Amalco shall continue to be liable for the obligations of each of the Amalgamating Corporations;
- (d) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Corporations shall be unaffected;
- (e) any civil, criminal or administrative action or proceeding pending by or against either of the Amalgamating Corporations may be continued to be prosecuted by or against Amalco;
- (f) any conviction against, or ruling, order or judgment in favour of or against, either of the Amalgamating Corporations may be enforced by or against Amalco; and
- (g) the corporate charter of Amalco shall be as set forth in Appendix “A” to this Agreement.

### 4. Organization of Amalco

Unless and until otherwise determined in the manner required by Law, by Amalco or by its directors or the holder or holders of the Amalco Shares, the following provisions shall apply:

- (a) **Name.** The name of Amalco shall be such name as created by adding “B.C. Ltd.” after the incorporation number, or such other name as may be determined by its board of directors.
- (b) **Registered Office.** The province in Canada where the registered office of Amalco shall be located is British Columbia; and its registered office shall be Suite 2900 - 595 Burrard Street, Vancouver, B.C.
- (c) **Business and Powers.** There shall be no restrictions on the business that Amalco may carry on or on the powers it may exercise.
- (d) **Authorized Share Structure.** Amalco shall be authorized to issue an unlimited number of common shares without nominal or par value.
- (e) **Initial Directors.** The initial director of Amalco shall be Jeff Lightfoot of Suite 2900 - 595 Burrard Street, Vancouver, B.C. The management and operation of the business and affairs of Amalco shall be under the control of the board of directors as it is constituted from time to time.
- (f) **Initial Officers.** The first officer of Amalco shall be Jeff Lightfoot of Suite 2900 - 595 Burrard Street, Vancouver, B.C.; who shall hold such office at the pleasure of the board of directors of Amalco.
- (g) **Articles.** The articles of Amalco, until repealed, amended or altered, shall be substantially in the form set forth in Appendix B.
- (h) **Fiscal Year End.** The fiscal year end of Amalco will be the same as the fiscal year end of CSC.

## **5. Treatment of Issued Share Capital of the Amalgamating Corporations**

On the Effective Date, upon the transaction set out in Section 3(a) becoming effective,

- (a) each holder of Finco Shares will receive one CSC Share in exchange for every 2.5 of such holder's Finco Shares; and the Finco Shares so exchanged will be cancelled without reimbursement of the capital represented by such shares
- (b) each holder of Finco Warrants will receive one CSC Warrant in exchange for 2.5 of such holder's Finco Warrant;
- (c) each issued and outstanding Subco Share shall be cancelled and replaced by the issuance of one Amalco Share, and
- (d) as consideration for CSC issuing CSC Securities to the holders of Finco Securities, Amalco will issue one Amalco Share to CSC for each CSC Share issued, such that CSC will be the sole shareholder of Amalco.

## **6. No Fractional Shares**

Notwithstanding anything to the contrary contained in this Agreement, no Finco Shareholder shall be entitled to, and CSC will not issue, fractions of any securities in CSC.

## **7. Certificates**

On the Effective Date, certificates evidencing Finco Shares and Subco Shares shall cease to represent any claim upon or interest in Finco or Subco, respectively, other than the right of the holder to receive the consideration provided for in this Agreement.

## **8. Covenants of Finco**

Finco covenants and agrees with Subco and CSC that it will:

- (a) use its commercially reasonable best efforts to obtain the approval of the Finco Shareholders to the Amalgamation, this Agreement and the Transaction in accordance with the BCBCA;
- (b) use its commercially reasonable best efforts to cause each of the conditions precedent set forth in Section 12 of this Agreement that are applicable in respect of Finco to be complied with; and
- (c) subject to the approval of the shareholders of each of Finco and Subco being obtained for the completion of the Amalgamation, thereafter jointly with Subco file with the British Columbia Registrar of Companies the Amalgamation Application, Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

## **9. Covenants of CSC**

CSC covenants and agrees with Finco and Subco that it will:

- (a) sign a resolution as sole shareholder of Subco in favour of the approval of the Amalgamation, this Agreement and the Transaction in accordance with the BCBCA;
- (b) use its commercially reasonable best efforts to cause each of the conditions precedent set forth in Section 12 of this Agreement that are applicable in respect of CSC to be complied with; and
- (c) subject to the approval of the Finco Shareholders being obtained for the completion of the Amalgamation, take all corporate action necessary to reserve for issuance a sufficient number of CSC Shares to permit the issuance of CSC Shares on the Amalgamation.

## **10. Covenants of Subco**

- (a) Subco covenants and agrees with Finco and CSC that it will not, from the date of execution hereof to the Effective Date, except with the prior written consent of Finco and CSC, conduct any business or do any other thing that could prevent Subco from performing any of its obligations hereunder; and
- (6) Subco further covenants and agrees with Finco that it will;
  - (i) use its commercially reasonable best efforts to cause each of the conditions precedent set forth in Section 12 that are applicable in respect of Subco to be complied with; and
  - (ii) subject to the approval of the shareholders of each of Finco and Subco being obtained for the completion of the Amalgamation, thereafter jointly with Finco file with the British Columbia Registrar of Companies the Amalgamation Application, the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

## **11. Representations and Warranties of the Parties**

Each party represents and warrants to and in favour of the others that it is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against it in accordance with its terms.

## **12. Conditions Precedent**

The respective obligations of the parties hereto to consummate the Amalgamation are subject to the satisfaction of the following conditions, which, except for Section 12(a) below, may be waived by the consent of each of the parties without prejudice to their rights to rely on any of the other conditions in this Section 12:

- (a) this Agreement and the transactions contemplated hereby, including, in particular, the Amalgamation, being approved by: (i) the board of directors of CSC; (ii) the board of directors of Subco; (iii) the board of directors of Finco; (iv) the sole shareholder of Subco; and (v) the Finco Shareholders, in accordance with the BCBCA;
- (b) all the conditions stated elsewhere in this Agreement being met or waived;
- (c) there shall not exist any prohibition at law, order or decree restraining or enjoining the consummation of the Amalgamation or the Transaction.

## **13. Amendment**

This Agreement may be amended prior to or following its approval by the shareholders of the Amalgamating Corporations, by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties hereto;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants contained herein and waive or modify performance of any of the obligations of the parties hereto; or
- (d) waive compliance with or modify any other conditions precedent contained herein,

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by Finco Shareholders upon the Amalgamation without approval by the Finco Shareholders, given in the same manner as required for the approval of the Amalgamation.

#### **14. Termination**

This Agreement may be terminated prior to or following its approval by the shareholders of the Amalgamating Corporations, by mutual agreement of the respective boards of directors of the parties hereto, without further action on the part of the shareholders of Finco or Subco, This Agreement shall also terminate without further notice or agreement if:

- (a) the Amalgamation is not approved by the Finco Shareholders entitled to vote in accordance with the BCBCA; or
- (b) any of the conditions set out in Section 12 are not satisfied or, if capable of being waived, are not waived by the relevant party, as applicable, prior to the Effective Date.

#### **15. Time of Essence**

Time shall be of the essence of this Agreement.

#### **16. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the courts of British Columbia shall have exclusive jurisdiction over every dispute hereunder. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of British Columbia.

#### **17. Successors and Assigns**

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

#### **18. Assignment**

None of the parties hereto may assign its interest in this Agreement without the written consent of the other parties hereto.

#### **19. Notice**

Any notice which a party may desire to give or serve upon the other party shall be in writing and may be delivered or sent by electronic transmission to the address(es) provided from time to time by each party to the other.

In the case of delivery or electronic transmission, notice shall be deemed to be given, if prior to 5:00 pm local time at place of receipt, on the date of delivery or transmission or, if after 5:00 pm local time at the place of receipt, on the next following Business Day.

#### **20. Further Assurances**

Each of the parties hereto agrees to execute and deliver such further instruments and to do such further acts and things as may reasonably be necessary or desirable to carry out the intent of this Agreement.

#### **21. Counterparts**

This Agreement may be executed in any number of counterparts, each of which when delivered (including by electronic delivery) shall be deemed to be an original and all of which together shall constitute one and the same document.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the date first written above.

**CARBON STREAMING CORPORATION**

By its authorized signatory:

*(signed) “Richard Redfern”*  

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**1247372 B.C. LTD.**

By its authorized signatory:

*(signed) “Jeffrey Lightfoot”*  

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**1247374 B.C. LTD.**

By its authorized signatory:

*(signed) “Richard Redfern”*  

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CARBON STREAMING CORPORATION

- and -

OSISKO GOLD ROYALTIES LTD

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INVESTOR RIGHTS AGREEMENT

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February 18, 2021

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**THIS INVESTOR RIGHTS AGREEMENT** (this “**Agreement**”) is made as of February 18, 2021

**BETWEEN:**

**CARBON STREAMING CORPORATION**, a corporation existing under the laws of British Columbia having its head office at 401 - 4 King Street West, Toronto, Ontario Canada, M5H 1B6

(the “**Corporation**”)

**AND:**

**OSISKO GOLD ROYALTIES LTD**, a corporation existing under the laws of Québec having its head office at 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, H3B 2S2

(“**Osisko**”)

(each a “**Party**” and collectively, the “**Parties**”)

**WHEREAS** on January 11, 2021, Osisko subscribed by way of private placement for, and the Corporation issued to Osisko, 2,000,000 units of the Corporation for a subscription price of \$0.25 per unit for an aggregate subscription price of \$500,000, with each unit comprising one common share in the capital of the Corporation (the “**Shares**”) and one common share purchase warrant of the Corporation (the “**Warrants**”), with each Warrant exercisable for one Share at an exercise price of \$0.75 for a period of five years from their date of issuance (the “**Initial Subscription**”);

**AND WHEREAS** on the date of this Agreement Osisko subscribed by way of a private placement for, and the Corporation issued to Osisko, an additional 4,000,000 units of the Corporation for a subscription price of \$0.75 per unit for an aggregate subscription price of \$3,000,000, with each unit comprising one Share and one Warrant, with each Warrant exercisable for one Share at an exercise price of \$1.50 for a period of five years from their date of issuance (the “**Transaction**”);

**AND WHEREAS** in connection with the Transaction, the Corporation and Osisko wish to enter into this Agreement in order to, among other things, confer on Osisko certain nomination and participation rights in accordance with, and subject to, the terms and subject to the conditions set forth herein;

**NOW THEREFORE**, the Parties agree as follows:

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## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

The following definitions apply to this Agreement:

“**Affiliate**”: a person is considered to be an affiliate of another Person if one is the subsidiary of the other or if both are subsidiaries of the same Person. For the purposes of this definition, “**subsidiary**” means a Person that is controlled directly or indirectly by another Person and includes a subsidiary of that subsidiary, and “**control**” means possession, directly or indirectly, of the power to direct or cause the direction of management and policies through ownership of voting securities, contract, voting trust or otherwise.

“**Agreement**” means this Investor Rights Agreement, as it may be amended from time to time in accordance with the terms hereof.

“**BCSA**” means the *Securities Act* (British Columbia).

“**Board**” means the board of directors of the Corporation, as constituted from time to time.

“**Bought Deal**” means a sale of securities of the Corporation to an underwriter(s) for reoffering to the public as described in the definition of “bought deal agreement” in Section 7.1 of National Instrument 44-101 – *Short Form Prospectus Distributions*.

“**Business Day**” means any day of the year, other than Saturday, Sunday and holidays in the Provinces of Quebec and Ontario.

“**Corporation**” has the meaning ascribed thereto in the recitals.

“**Corporation Meeting Notice**” has the meaning ascribed thereto in Section 2.2a).

“**Eligible Right**” has the meaning ascribed thereto in Section 4.2(1).

“**Eligible Transaction**” has the meaning ascribed thereto in Section 4.1(1).

“**Equity Securities**” means the Shares and any other security of the Corporation that carries a residual right to participate in the earnings of the Corporation and, on liquidation or winding up of the Corporation, in its assets.

“**Exempted Securities**” means: (i) Equity Securities or Share Rights issued pursuant to, or upon the exercise, exchange or conversion of Share Rights issued pursuant to, equity- based compensation plans that have been approved by the Shareholders and any required stock exchange(s) or issued to management, directors or employees of the Corporation as consideration for services provided to the Corporation; (ii) Equity Securities or Share Rights issued in connection with any rights offering, stock split, stock dividend or any similar recapitalization by the Corporation in which all Shareholders or recipients are affected equally; and (iii) Equity Securities issued in connection with the exercise, exchange or conversion of: (A) Share Rights outstanding on the date hereof or issued pursuant to contractual arrangements in force on the date hereof or (B) Share Rights issued after execution of this Agreement in accordance with Article 3; and (iv) Equity Securities or Share Rights issued as consideration for, or pursuant to, an acquisition or take-over bid, business combination and/or merger.

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“**New Securities**” means any Equity Securities or Share Rights which are issued by the Corporation after the date of this Agreement, provided, however, that “New Securities” will not include Exempted Securities.

“**New Securities Offering**” has the meaning ascribed thereto in Section 3.1(1).

“**Nomination Notice**” has the meaning ascribed thereto in Section 2.2b).

“**Nomination Right Notice Period**” has the meaning ascribed thereto in Section 2.2b).

“**Nomination Right**” has the meaning ascribed thereto in Section 2.1a).

“**Offering**” means a Private Placement or a Public Placement, as the case may be.

“**Offering Notice**” has the meaning ascribed thereto in Section 3.1(2).

“**Osisko**” has the meaning ascribed thereto in the recitals and includes any of its permitted assigns pursuant to Section 6.8 which is, at the relevant time, a holder of Registrable Securities.

“**Osisko Nominee**” has the meaning ascribed thereto in Section 2.1a).

“**Partially-Diluted Basis**” means after giving effect to the exercise, conversion or exchange of any securities exercisable for, convertible into or exchangeable for Shares (including, without limitation, all Share Rights) beneficially owned by Osisko.

“**Participation Exercise Notice**” has the meaning ascribed thereto in Section 3.1(4).

“**Participation Securities**” has the meaning ascribed thereto in Section 3.1(4).

“**Participation Rights**” has the meaning ascribed thereto in Section 3.1(1).

“**Parties**” means the Corporation, Osisko and each of their respective successors and permitted assigns.

“**Person**” means a natural or legal person, business corporation, partnership, joint venture, association, syndicate, sole proprietorship, company, trust, trustee, testamentary executor, estate administrator or other assign, bank, trust company, pension fund, commercial trust, governmental authority or other organization, whether or not a legal entity.

“**Private Placement**” means a distribution of Equity Securities and/or Share Rights to subscribers in Canada, in reliance on an exemption from the Prospectus Requirements under Securities Laws or in any other jurisdiction outside Canada in such manner that the sale is exempt from requirements which are substantially equivalent to the Prospectus Requirements in the territory in question in accordance with the securities laws of such territory, including a sale of Equity Securities and/or Share Rights in the United States under Rule 144A under the United States Securities Act of 1933.

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“**Prospectus**” means a prospectus or preliminary prospectus, as the case may be, as those terms are defined in the BCSA.

“**Prospectus Requirements**” means the obligation to prepare a Prospectus and obtain a receipt in connection with a distribution of securities in accordance with the BCSA, as well as the equivalent obligations prescribed by other Securities Laws.

“**Public Placement**” means any distribution of Equity Securities or Share Rights to the public, under a Prospectus in accordance with Securities Laws of the relevant province or territory in Canada.

“**QSA**” means the *Quebec Securities Act*.

“**Registrable Securities**” means (a) any Shares beneficially owned or over which control or direction is exercised by Osisko as of the date hereof, including Shares acquired by or issued to Osisko without contravening the terms hereof, and (b) any Shares issued or issuable in respect of Shares referred to in clause (a) above to Osisko in connection with share splits, share dividends, reclassifications, recapitalizations, or other similar events.

“**Securities Laws**” means, as applicable: (i) the QSA, the BCSA and any other applicable securities legislation and all published regulations, policy statements, orders, rules, instruments, rulings and interpretation notes issued thereunder or in relation thereto in any other province or territory of Canada in which the Corporation is or becomes a reporting issuer or the equivalent; and (ii) as applicable, the rules and policies of the stock exchange(s) on which the Shares are listed;

“**Share Rights**” means warrants (including the Warrants), stock options, exchangeable or convertible securities, or other instruments or securities entitling the holder to purchase or otherwise acquire Equity Securities.

“**Shareholders**” means, at any relevant time, the registered holders or beneficial owners of one or more Shares.

“**Shares**” has the meaning ascribed thereto in the recitals.

“**Stream Participation Acceptance Notice**” has the meaning ascribed thereto in Section 4.1(4).

“**Stream Participation Right**” has the meaning ascribed thereto in Section 4.1(1).

“**Stream Participation Right Election Notice**” has the meaning ascribed thereto in Section 4.1(7).

“**Stream Offer Notice**” has the meaning ascribed thereto in Section 4.1(2).

“**Stream Sale Notice**” has the meaning ascribed thereto in Section 4.2(1).

“**Transaction**” has the meaning ascribed thereto in the recitals.

“**Trigger Event**” means:

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- a) until the date that is three (3) years from the date of this Agreement, any sale, transfer, disposal or other transaction by Osisko or its Affiliates of Shares and/or Share Rights, pursuant to which Osisko together with its Affiliates holds less than an aggregate of 10,800,000 Shares and Warrants; and
- b) at any time after the date that is three (3) years from the date of this Agreement, the completion of any transaction or event that results in Osisko together with its Affiliates holding less than 7.5% of the outstanding Shares (calculated on a Partially-Diluted Basis).

“**Underwritten Offering**” means the sale of securities of the Corporation to an underwriter in connection with an Offering.

“**Warrants**” has the meaning ascribed thereto in the recitals.

## **1.2 Interpretation**

For the purposes hereof, unless indicated otherwise or unless the context requires otherwise:

- a) the descriptive headings used herein are inserted solely for convenience of reference and may not be used to interpret, define or limit the scope or meaning of this Agreement or any term hereof;
- b) words in the singular include the plural and vice versa and words in one gender include all genders;
- c) all monetary amounts herein are denominated in Canadian dollars;
- d) whenever any action to be taken pursuant to this Agreement would otherwise be required to be taken or made on a day that is not a Business Day, such action shall be taken at or before the time indicated on the first Business Day following such day; and
- e) any reference to a statute shall include all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto.

## **1.3 Time of the Essence**

Time shall be of the essence in this Agreement.

## **1.4 Recitals and Schedule**

The recitals in this Agreement form an integral part hereof.

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## ARTICLE 2 NOMINATION RIGHTS

### 2.1 Board Nomination Right

- a) Unless a Trigger Event has occurred, Osisko shall have the right to nominate, on an annual basis, one (1) nominee (“**Osisko Nominee**”) for election or appointment to the Board (the “**Nomination Right**”).
- b) The Osisko Nominee shall be a person eligible to serve as a director under the BCSA and the rules of any stock exchange(s) on which the Shares are listed.
- c) In the event that any Osisko Nominee is unacceptable to any stock exchange(s) on which the Shares are listed, then the Corporation shall promptly notify Osisko thereof, Osisko shall use reasonable good faith efforts to cause such Osisko Nominee to forthwith resign and the Corporation shall provide Osisko with the opportunity to designate an alternate acceptable Osisko Nominee.

### 2.2 Nomination Right Procedure

For so long as Osisko has the Nomination Right pursuant to Section 2.1:

- a) No earlier than 90 days and no later than 60 days prior to the date (or such other time period as the Parties may further agree in writing) of each annual general meeting of Shareholders (or each special meeting of Shareholders called for purposes including the election of directors to the Board), the Corporation shall notify Osisko in writing of the date of such meeting (the “**Corporation Meeting Notice**”).
  - b) Osisko shall have the right and option, exercisable within fifteen (15) Business Days from receipt of the Corporation Meeting Notice (the “**Nomination Right Notice Period**”) to exercise the Nomination Right by notice to the Corporation (the “**Nomination Notice**”).
  - c) If Osisko wishes to exercise the Nomination Right, Osisko shall specify in the Nomination Notice the name of the person it wishes to nominate for election to the Board.
  - d) If Osisko fails to deliver a Nomination Notice in response to a Corporation Meeting Notice within the Nomination Right Notice Period, then Osisko will be deemed to have nominated its incumbent nominee, if applicable.
  - e) If Osisko delivers a Nomination Notice in response to a Corporation Meeting Notice within the Nomination Right Notice Period, the Corporation shall, in respect of every meeting of the shareholders at which directors of the Corporation are to be elected, and at every reconvened meeting following an adjournment thereof or postponement thereof:
    - (i) nominate the Osisko Nominee to stand for election to the Board;
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- (ii) solicit proxies from the Shareholders in respect thereof, which obligation to solicit will be satisfied by delivery of a form of proxy to the Shareholders;
  - (iii) include the name of the Osisko Nominee to stand for election to the Board in the proxy to be delivered to each Shareholder;
  - (iv) endorse and recommend the Osisko Nominee identified in the proxy materials for election to the Board;
  - (v) vote the Shares in respect of which management is granted a discretionary proxy in favour of the election of the Osisko Nominee to the Board; and
  - (vi) use its commercially reasonable efforts to cause management to vote their Shares in favour of the election of the Osisko Nominee to the Board.
- f) Osisko shall also provide to the Corporation such other information regarding the Osisko Nominee as is reasonably requested by the Corporation so as to comply with applicable proxy disclosure requirements.
- g) If an Osisko Nominee is elected at a meeting of Shareholders, but ceases to hold office as a director of the Corporation for any reason, Osisko shall be entitled to nominate an individual to replace him or her and the Corporation shall promptly take all steps as may be necessary to appoint such individual to the Board to replace the Osisko Nominee who has ceased to hold office.
- h) So long as an Osisko Nominee serves as a member of the Board, such Osisko Nominee shall be eligible to serve on any committee of the Board, provided that such Osisko Nominee satisfies the Corporation's eligibility criteria for such committee and the Board has approved, and has received regulatory approval, if required, of the Osisko Nominee serving as a member of such committee.
- i) The Osisko Nominee shall be provided with equivalent directors' insurance and indemnification as the other members of the Board and with a written indemnification agreement in the form provided to the other members of the Board.
- j) The Corporation will use reasonable efforts to provide the Osisko Nominee with as much notice of Board and committee meetings as possible and shall make reasonable efforts to facilitate the attendance of the Osisko Nominee at Board and committee meetings, and in any event shall provide such notice as is required to be given to Board or committee members under the constating documents of the Corporation.
- k) Osisko may elect to waive the Nomination Right for a specific year or terminate the Nomination Right by delivering notice to that effect to the Corporation. The Nomination Right will not terminate if, on receipt of any Corporation Meeting Notice from the Corporation, Osisko fails or declines to exercise it.
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### ARTICLE 3 PARTICIPATION RIGHTS

#### 3.1 Pre-emptive Right

- (1) Unless a Trigger Event has occurred, if the Corporation proposes to issue or sell any New Securities (including pursuant to any exercise of pre-emptive or similar rights held by any other person) (a “**New Securities Offering**”), then Osisko has the right (the “**Participation 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 in the New Securities Offering, up to an amount sufficient to maintain its aggregate *pro rata* ownership interest in the outstanding Shares (calculated on a Partially-Diluted Basis), immediately prior to the closing of the New Securities Offering. Osisko may exercise its Participation Right with respect to any underwritten New Securities Offering through a concurrent and separate Private Placement, in which case Osisko and the Corporation shall use commercially reasonable efforts to cause the announcement of such Private Placement to occur at the same time as the announcement of such New Securities Offering, being understood that the closing of any such Private Placement may take place after the closing of any such New Securities Offering as contemplated in Section 3.1(5).
  - (2) If the Corporation proposes to issue or sell New Securities pursuant to a New Securities Offering giving rise to the Participation Right, the Corporation will give written notice to Osisko (the “**Offering Notice**”) as soon as possible and, in any event, at least five (5) Business Days prior to the earlier of (i) the Corporation entering into a binding agreement with any person providing for such New Securities Offering, and (ii) the Corporation publicly announcing such New Securities Offering. The Offering Notice will contain the following information, to the extent known at the time:
    - a) the total number of each type, class and series of Equity Securities outstanding as at the date of the Offering Notice;
    - b) the total number of each type, class and series of New Securities to be offered in such New Securities Offering, and the rights, privileges, restrictions, terms and conditions of each such type, class and series;
    - c) the proposed price (on a per security basis) payable for the New Securities upon which Osisko is entitled to purchase pursuant to the Participation Right;
    - d) the maximum number of New Securities that Osisko is entitled to subscribe for;
    - e) the proposed announcement date, and the proposed closing date for such New Securities Offering; and
    - f) any other material terms of such New Securities Offering, including a statement as to the expected use of proceeds;
-



and the Corporation will use its commercially reasonable efforts to consult with Osisko and, if applicable, any stock exchange(s) on which the Corporation's securities are listed as to the size, structure and other characteristics of the New Securities Offering with a view to giving full effect to the intention of the Parties that Osisko will be able to fully exercise its Participation Right in connection therewith. Further, any material information not provided to Osisko in the Offering Notice because it is not then known shall be provided forthwith upon becoming known to the Corporation. Notwithstanding any other provision of this Agreement to the contrary, in the case of a New Securities Offering that is implemented by way of Bought Deal offering, the Corporation shall provide notice to Osisko of such potential Bought Deal offering as soon as it is seriously considering such a Bought Deal offering or is in advanced discussions with underwriters in connection thereto, and the reference in this Section 3.1(2) to five (5) Business Days shall be changed to such notice as is practicable in the circumstances which shall at a minimum be thirty six (36) hours, provided that such minimum notice period may be waived in writing by any officer of Osisko irrespective of the notice provisions set forth herein.

- (3) In the case of a contemplated issuance of securities for non-cash consideration, the Board shall determine the deemed issue price, acting reasonably, which shall be the price at which Osisko may participate.
  - (4) If Osisko wishes to exercise the Participation Right in respect of a particular New Securities Offering, Osisko shall give written notice to the Corporation (the "**Participation Exercise Notice**") of the exercise of its Participation Right and of the number of each type, class and series of New Securities Osisko wishes to purchase (the "**Participation Securities**"), within four (4) Business Days after the date of receipt of the Offering Notice. Notwithstanding any other provisions of this Agreement to the contrary, in the case of a New Securities Offering that is implemented by way of a Bought Deal offering, Osisko shall use commercially reasonable efforts to provide its Participation Exercise Notice within twenty four (24) hours following the receipt of the Offering Notice so that the participation by Osisko can be announced concurrently with the Bought Deal, provided, however, that failure to do so shall not prevent Osisko from providing a Participation Exercise Notice within four (4) Business Days after the date of receipt of the Offering Notice and shall not prevent Osisko from exercising its Participation Right through a concurrent Private Placement as contemplated in Section 3.1(1).
  - (5) If Osisko exercises its Participation Right, subject to the receipt of any required regulatory approvals (including of any stock exchange(s) on which the Corporation's securities are listed), which approvals the Corporation will use its commercially reasonable efforts to promptly obtain (including applying for any necessary price protection confirmations), the closing of the purchase by Osisko of its New Securities will occur on the date indicated by Osisko in the Participation Exercise Notice, but in any event not more than the later of (i) ten (10) Business Days following the Participation Exercise Notice and (ii) the closing of the sale of the New Securities to the other purchasers thereof.
  - (6) The Participation Right will not terminate if, on receipt of any Offering Notice from the Corporation, Osisko fails or declines to exercise it.
  - (7) If pursuant to the rules of any stock exchange(s) on which Shares are listed or applicable law, the exercise of the Participation Right by Osisko results in Osisko holding 20% or more of the voting shares of the Corporation or otherwise results in a requirement for the Corporation to obtain shareholder approval, Osisko may, at its discretion, accept such lesser amount of New Securities, as applicable, as will not result in Osisko holding 20% or more of the Corporation's voting shares or otherwise trigger shareholder approval.
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**ARTICLE 4**  
**PARTICIPATION RIGHT ON STREAMING AND SIMILAR RIGHTS**

**4.1 Right to Participate in the Purchase of Future Streams and Similar Transactions**

- (1) Unless a Trigger Event has occurred, Osisko shall have the right to participate in, and acquire up to 20% of, any stream, forward sale, prepay, royalty, off-take or similar transaction (each an “**Eligible Transaction**”) between the Corporation as purchaser and/or creditor and one or more third party counterparties (the “**Stream Participation Right**”). The Corporation agrees that the Stream Participation Right shall be exclusive to Osisko and neither it nor its Affiliates shall solicit, negotiate, entertain or agree any similar right or arrangement with any other Person whose primary business relates to: (i) mine exploration, development or operation; or (ii) the purchase and sale of metals streams, royalties or similar transactions.
  - (2) The Corporation shall provide Osisko written notice (the “**Stream Offer Notice**”) promptly and in any case, within two (2) Business Days of entering into a term sheet (whether binding or non-binding) or agreeing commercial terms in respect of an Eligible Transaction. The Stream Offer Notice shall inform Osisko of its Stream Participation Right and detail all relevant information pertaining to the Eligible Transaction to enable Osisko to determine if it wishes to exercise its Stream Participation Right.
  - (3) The Corporation shall inform the counterparty to the Eligible Transaction of Osisko’s Stream Participation Right and use commercially reasonable efforts to include Osisko within the scope of its confidentiality undertaking in respect of the Eligible Transaction or to have the counterparty agree to execute a separate confidentiality undertaking with Osisko, as applicable.
  - (4) Within fifteen (15) Business Days of receipt of a Stream Offer Notice, Osisko shall be entitled to provide written notice (the “**Stream Participation Acceptance Notice**”) to the Corporation stating that it wishes in principle to exercise its Stream Participation Right in respect of the Eligible Transaction based on the indicative terms set out in the Stream Offer Notice.
  - (5) Where Osisko has served a Stream Participation Acceptance Notice within the time period specified in Section 4.1 (4) it shall be entitled to participate in the Eligible Transaction on the same terms and conditions (including with respect to price) as the Corporation. In the event Osisko does not provide a Stream Participation Acceptance Notice to the Corporation within the time period specified in Section 4.1(4), Osisko’s Stream Participation Right in respect of the Eligible Transaction specified in the applicable Stream Offer Notice shall terminate.
  - (6) Where Osisko has served a Stream Participation Acceptance Notice within the time period specified in Section 4.1 (4), it shall thereafter be entitled to participate in negotiations and the Corporation shall keep Osisko informed of all relevant developments relating to the Eligible Transaction and provide Osisko with all other information that it may reasonably request in order to make informed decisions regarding the Eligible Transaction.
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- (7) If, following completion of negotiations with the third party counterparty or counterparties, the Corporation elects to enter into definitive documentation to proceed with the Eligible Transaction, then the Corporation shall promptly upon such election but in any case not later than fifteen (15) Business Days (or such shorter period as the Parties may agree) prior to the proposed date of closing of the Eligible Transaction give notice to Osisko (the “**Stream Participation Right Election Notice**”) which shall include:
- a) the purchase price payable by Osisko if it elects to fully exercise its Stream Participation Right to acquire 20% of the Eligible Transaction;
  - b) all other material terms and conditions of the Eligible Transaction, including the draft share purchase agreement and the security agreement; and
  - c) any other information reasonably requested by Osisko in respect of the Eligible Transaction.
- (8) Within 10 Business Days of receipt of the Stream Participation Right Election Notice, Osisko shall have the right to serve written notice to the Corporation electing to exercise its Stream Participation Right, which notice shall include the percentage of the Eligible Transaction Osisko is electing to acquire, which for the avoidance of doubt it shall acquire on the same terms and conditions (including with respect to price) as the Corporation.
- (9) If the counterparty to the Eligible Transaction objects to Osisko’s participation in the Eligible Transaction (for whatever reason), the Corporation shall acquire Osisko’s portion of the relevant transaction and Osisko shall purchase such portion from the Corporation on the same terms and conditions (including with respect to price) as those agreed in the Eligible Transaction. The Corporation and Osisko shall work in good faith to agree definitive documentation in respect of such arrangement prior to, or concurrently with, the execution of the Eligible Transaction.
- (10) Unless a Trigger Event has occurred, in consideration of the grant of the Stream Participation Right by the Corporation to Osisko, Osisko shall not, on its own behalf or on behalf of or in connection with any Person invest, participate or otherwise be commercially involved in any bona fide, confidential, privately-held carbon credit opportunity which has been introduced to Osisko by the Corporation.

#### **4.2 Right to Participate in the Sale of Future Streams and Similar Transactions**

- (1) Unless a Trigger Event has occurred, the Corporation shall not, and shall cause each of its Affiliates not sell, transfer or otherwise dispose of 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 (each an “**Eligible Right**”), except as otherwise expressly permitted under this Section 4.2, without first having offered same to Osisko in writing (the “**Stream Sale Notice**”).
- (2) If Osisko does not elect to acquire such an interest in an Eligible Right within thirty (30) Business Days of the Stream Sale Notice (or if Osisko elects to acquire an interest in an Eligible Right and such transaction does not close within sixty (60) Business Days of Osisko making an election in respect of a Stream Sale Notice, unless otherwise extended by the Parties acting reasonably and diligently) the Corporation shall then have the right to transfer its interest in such Eligible Right without further restriction on the same terms as offered to Osisko for a period of ninety (90) Business Days following such decision of Osisko not to so elect (or the failure to close the acquisition of the Eligible Right).
-

- (3) If no transaction has been consummated by the Corporation or any of its Affiliates prior to the expiry of such 90 Business Day period with respect to the Eligible Right, then the terms of this Section 4.2 shall again come into effect with respect to such Eligible Right.
- (4) The participation right will not terminate if, on receipt of any Stream Sale Notice from the Corporation, Osisko fails to or decides not to exercise it.
- (5) Nothing in Section 4.2 restricts in any manner:
  - a) the disposition by a Party of an interest in the Right or this Agreement to an Affiliate; or
  - b) an amalgamation, merger, or other form of corporate reorganization or change of control transaction which is a bona fide business combination transaction that has the effect in law of the amalgamated or surviving corporation possessing, directly or indirectly, substantially all the properties, rights and interests and being subject to substantially all the debts, liabilities and obligations of the transferring Party.

## **ARTICLE 5 OTHER RIGHTS AND UNDERTAKINGS**

### **5.1 Registration of Shares**

The Corporation shall make commercially reasonable efforts to maintain its status as a reporting issuer in all Canadian provinces where it is a reporting issuer as of the date of this Agreement and, once listed on a recognized stock exchange(s), maintain the listing of the Shares for trading on such recognized stock exchange(s), and shall file, within the required deadlines, the documents prescribed by Securities Laws. For greater certainty, the Corporation shall not be required to maintain such status or listing(s) if to do so would hinder or impede any amalgamation or business combination (whether by way of a merger, plan of arrangement, consolidation, share or other security exchange transaction, recapitalization, asset acquisition, take-over bid, or other transaction) involving the Corporation and completed in accordance with Securities Laws, if the holders of Shares have approved the transaction or otherwise tendered a sufficient number of Shares in connection with such transaction for the transaction to proceed.

### **5.2 Voting Support**

Unless a Trigger Event has occurred, and provided that Osisko has received the shareholder meeting materials within the time periods prescribed by applicable law (including Securities Laws, as applicable), Osisko shall, and shall cause each of its Affiliates to (in each case, to the extent that they beneficially own any Shares): (a) be present, in person or by proxy, at each and every shareholder meeting of the Corporation, and otherwise to cause all Shares owned by them (which have a right to vote at such meeting) to be counted as present for purposes of establishing a quorum at any such meeting; and (b) to vote or consent, or cause to be voted or consented, all such Shares: (i) in favor of each director nominated and recommended by the Board for election at such meeting, in favor of the Corporation's proposal for ratification of the appointment of the Corporation's independent auditor, and in favour of every other management recommendation at any meeting of shareholders of the Company; and (ii) against any shareholder nominations for director that are not approved and recommended by the Board for election at any such meeting; provided, however, that Osisko shall not be under any obligation to vote in the same manner as recommended by the Board or in any other manner, other than in Osisko's sole discretion, with respect to any other matter, including the approval (or non-approval) or adoption (or non-adoption) of, or other proposal directly related to, any merger or other business combination transaction involving the Corporation, the sale of all or substantially all of the assets of the Corporation or any other change of control transaction involving the Corporation.

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**ARTICLE 6  
GENERAL**

**6.1 Confidentiality**

(1) Any information regarding a Party that:

- a) has not become generally available to the public;
- b) was not available to a Party or its representatives on a non-confidential basis before the date of this Agreement; or
- c) does not become available to a Party or its representatives on a non-confidential basis from a Person who is not, to the knowledge of the Party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the party or its representatives,

will be kept confidential by each Party and shall constitute confidential information (the “**Confidential Information**”).

(2) No Confidential Information may be released to third parties without the consent of the provider thereof, except that the Parties agree that they will not unreasonably withhold such consent to the extent that such Confidential Information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents.

(3) Upon request by the provider of the Confidential Information, the other Party will return to the provider, or destroy (subject only to normal course data back-up or archival processes), all documents, including any copies thereof, comprised in the Confidential Information furnished by the provider, and the recipient of the Confidential Information will confirm in writing that all Confidential Information has been returned or destroyed (subject only to normal course data back-up or archival processes), as applicable, provided that one copy of the Confidential Information may be retained within a receiving Party’s legal department for liability defense purposes only. Notwithstanding any such return or destruction of any Confidential Information, Confidential Information, including, without limitation, any Confidential Information retained by a receiving Party, will continue to be subject to this Agreement. In addition, Confidential Information that has been prepared by either Party from publicly available information or from information not obtained pursuant to this Agreement may be retained by the Party that has prepared such information.

(4) Neither Party will issue any press release, make any disclosure and/or make any public announcement or public statement about the transactions described herein which has not been previously approved by the other Party, except that any Party may issue a press release or make a filing with a regulatory authority if counsel for such Party first advises that such press release or filing is necessary (in which case such Party will first make a reasonable effort to obtain the approval of the other Party).

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## **6.2 Notices**

Any notice, direction or other communication to be given under this Agreement shall, except as otherwise permitted, be in writing and given by delivering it or sending it by email or other similar form of recorded communication addressed:

a) To the Corporation:

Carbon Streaming Corporation  
401 – 4 King Street West  
Toronto, Ontario, Canada M5H 1B6

Attention: Justin Cochrane, President & CEO  
E-mail: [justin@carbonstreaming.com](mailto:justin@carbonstreaming.com)

b) To Osisko:

Osisko Gold Royalties Ltd  
1100, avenue des Canadiens-de-Montréal, Suite 300  
Montréal, Québec, Canada H3B 2S2

Attention: Iain Farmer, Vice-President, Corporate Development  
E-mail: [corporatesecretary@osiskogr.com](mailto:corporatesecretary@osiskogr.com)

Any such communication shall be deemed to have been validly and effectively given if (i) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Montreal time), otherwise on the next Business Day, (ii) transmitted by email or similar means of recorded communication on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the Party at its changed address.

## **6.3 Further assurances**

The Parties agree to execute and deliver from time to time all further documents and instruments, and to take any action, which the other Party may reasonably require for the purposes of giving effect to this Agreement or to better attest or complete the meaning and intention of this Agreement.

## **6.4 Entire agreement**

The Parties acknowledge that this Agreement constitutes a complete, true and inclusive reproduction of the agreement entered into between them and that it cancels any prior agreement, with the Parties formally waiving their right to rely on any discussions and negotiations which preceded its signing.

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## **6.5 Severability**

If any term or other provision of this Agreement is invalid, illegal or unenforceable under any rule or law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon any determination that any term or other provision is invalid, illegal or unenforceable, the Parties to this Agreement shall negotiate in good faith to amend this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner such that the transactions contemplated by this Agreement are fulfilled to the fullest extent possible.

## **6.6 Amendment and waiver**

This Agreement may not be amended or modified, or any provision hereof waived, except by an agreement in writing executed by all the Parties.

## **6.7 Termination**

This Agreement shall come into force and effect as of the date set out on the first page hereof and shall continue in force until the earlier of: (a) the date on which this Agreement is terminated by the mutual written consent of the Parties; and (b) the date that is ten (10) Business Days after the occurrence of a Trigger Event, at which time this Agreement shall automatically terminate without any further action on the part of either of the Parties; provided that in either case the provisions of this Article 6 shall survive termination of this Agreement and shall remain in full force and effect.

## **6.8 Enurement**

This Agreement shall be binding upon and enure to the benefit of the Parties to this Agreement and, from time to time, their respective successors and permitted assigns as provided under Section 6.8.

## **6.9 Assignment**

This Agreement and any right, benefit or obligation resulting herefrom may not be assigned by a Party without the prior written consent of the other Parties, provided that Osisko may assign this Agreement or the rights, benefits or obligations resulting herefrom to an assignee which is an Affiliate without the prior consent of the Corporation.

## **6.10 Third party beneficiaries**

The terms and conditions of this Agreement shall apply only for the benefit of the Parties and their respective successors and permitted assigns, and the Parties do not intend to confer rights on third party beneficiaries, and this Agreement does not confer any such right on third parties.

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#### **6.11 Remedies**

Each Party acknowledges that its failure to observe or perform its covenants and agreements herein contained shall result in damages to another Party which could not be adequately compensated for by a monetary award and accordingly each Party hereto agrees that in addition to all other remedies available to a Party at law or in equity in the event another Party fails to observe or perform its covenants herein, a Party shall be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree of specific performance or otherwise, as may be appropriate to ensure compliance by each Party with this Agreement.

#### **6.12 Governing law**

This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Quebec and the federal laws of Canada applicable therein.

#### **6.13 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. A signed signature page of this Agreement delivered by a Party electronically shall have the same effect as an original of the signed copy of this Agreement delivered by such Party.

*[The rest of the page is intentionally left blank.]*

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IN WITNESS WHEREOF, the Parties have signed this Agreement on the date first hereinabove written.

**CARBON STREAMING CORPORATION**

By: (signed) “Justin Cochrane”  
Name:Justin Cochrane  
Title: President & Chief Executive Officer

**OSISKO GOLD ROYALTIES LTD**

By: (signed) “Iain Farmer”  
Name:Iain Farmer  
Title: Vice President, Corporate Development

By: (signed) “André Le Bel”  
Name:André Le Bel  
Title: Vice President, Legal Affairs and Corporate Secretary

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**ANNUAL INFORMATION FORM**

**For the Financial Year Ended**

**June 30, 2020**

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As of June 30, 2021

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## FORWARD-LOOKING INFORMATION

Certain statements in this Annual Information Form (this “**AIF**”) of Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian 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. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this AIF and as they are expected to be 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, competition, budgets, operations, financial results, plans and objectives. In particular, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In particular, and without limiting the generality of the foregoing, this AIF contains forward-looking information concerning:

- the investments to be made by the Company;
- general market conditions;
- expectations regarding carbon market trends, overall carbon market growth rates and prices for carbon credits;
- 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;
- potential acquisitions and dispositions of assets;
- expectations with respect to future opportunities;
- the Company’s expectations regarding expenses and anticipated cash needs;
- the competitive conditions of the industry in which the Company operates;
- the political, social and economic conditions in each jurisdiction in which the Company holds an investment;
- laws and any amendments thereto applicable to the Company; and
- the Company’s executive compensation and corporate governance practices.

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.

Forward-looking statements in this AIF include statements regarding:

- compliance with regulatory requirements relating to Company's business;
- changes in laws, regulations and guidelines relating to Company's business;
- limited operating history;
- reliance on management;
- competition in the Company's industry;
- ability of the Company to exploit current and future opportunities;
- ability of the Company to grow through future investments;
- the closing of the transactions mentioned herein;
- inherent risks associated with carbon credit streaming and carbon credits business;
- the generation of local community benefits and preservation of biodiversity;
- conflicts of interest of the Company's officers and directors;
- the development, implementation, validation and verification of carbon offset projects;
- the annual or cumulative creation of carbon credits over the life of any project;
- expectations regarding future pricing of the carbon credits from the Company's stream contracts, including the MarVivo project;
- market conditions related to the future supply and demand of carbon credits and the anticipated increase in carbon credit prices due to favorable market fundamentals and price premiums for carbon credits with Co-Benefits;
- the development of the Company's business, including acquiring streams and investing and acquiring investments related to carbon credits or related businesses;
- compliance with environmental regulations relating to the Company's business or the conservation and protection of natural environments;
- volatility in the market price for the securities of the Company;
- no dividends for the foreseeable future;
- the issuance of Shares or other securities in the future causing dilution; and
- political, social and economic conditions in the regions where the Company operates or where its carbon credits are located or will be generated.

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:

- general economic, market and business conditions;
- uncertainties surrounding the local, national and global impact of the COVID-19 pandemic;
- uncertainties and ongoing market developments surrounding the regulatory framework applied to climate change, carbon credits and the Company's ability to be, and remain, in compliance;
- potential conflicts of interest;
- global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- the Company's status and stage of development;
- dependence on project developers, 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 or timing delays for projects to be verified, validated and ultimately developed;
- the ability of the Company to source appropriate investments;
- 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;
- 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;
- 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;
- foreign operations and political risks;
- operating and capital costs;
- unforeseen title defects;
- risks arising from competition and future acquisition activities;

- the potential for management estimates and assumptions to be inaccurate;
- risks associated with establishing and maintaining systems of internal controls;
- volatility in the market price of the Shares;
- the effect that the issuance of additional securities by the Company could have on the market price of the Shares;
- failure to engage or retain key personnel; 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. The Company cannot guarantee future results, levels of activity, performance, or achievements. 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.

## **GENERAL MATTERS**

### **Date of Information**

Unless otherwise stated, the information herein is presented as at June 30, 2020, being the date of the Company’s most recently audited financial year.

### **Currency**

Unless otherwise specified, in this AIF all references to “dollars” or to “\$” or “C\$” are to Canadian dollars and all references to “US\$” are to United States dollars.

### **Definitions**

“Carbon Streaming”, “the Company,” “we,” “us” and “our” or similar terms refer to Carbon Streaming Corporation and its subsidiaries. A glossary of certain defined terms and abbreviations used herein is appended to this AIF.

## **CORPORATE STRUCTURE**

### **Name, Address and Incorporation**

The Company was incorporated under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on September 13, 2004 under the name “*Mexivada Mining Corp.*” Effective June 15, 2020, the Company’s name was changed to “*Carbon Streaming Corporation*”.

The registered office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8. The principal office of the Company is located at Suite 401, 4 King Street West, Toronto, Ontario M5H 1B6.

The Company is a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario.

The Company has applied to list its common shares (the “**Shares**”) and all of the Company’s common share purchase warrants (the “**Warrants**”) issued pursuant to the March 2021 Private Placement on the Neo Exchange Inc. (the “**NEO Exchange**”). Listing of the Shares and the Warrants is subject to the approval of NEO Exchange. On June 25, 2021, the NEO Exchange conditionally approved the Company’s listing application. Listing is subject to the Company fulfilling all of the requirements of the NEO Exchange including distribution of the Shares to a minimum number of public shareholders. In connection with listing the Company has reserved the stock symbol “NETZ”.

### **Intercorporate Relationships**

The Company has no subsidiaries, affiliates or associates, other than the wholly owned subsidiary, 1253661 B.C. Ltd. (“**Amalco**”), which resulted when 1247374 B.C. Ltd. and 1247372 B.C. Ltd. (“**Fundco**”) amalgamated on June 17, 2020 in conjunction with the Amalgamation. The Company may incorporate one or more subsidiary companies to facilitate its activities as required.

## **DESCRIPTION OF THE BUSINESS**

### **Overview**

Carbon Streaming is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic Co-Benefits in addition to their carbon reduction or removal potential.

Typically, a carbon credit represents one tonne of carbon dioxide (“**tCO<sub>2</sub>**”) or the carbon dioxide equivalent (“**tCO<sub>2</sub>e**”) of another greenhouse gas (based on the amount of heat it traps in the atmosphere) that is prevented from entering or being absorbed from the atmosphere. Every 4.60 tonnes of CO<sub>2</sub>e removed from the atmosphere is the equivalent of removing one average passenger vehicle for a year (Source: EPA).

The term “carbon credits” is used to collectively refer to carbon allowances, carbon offsets, forest offsets and other environmental attributes including, without limitation, renewable energy certificates and clean/low carbon fuel standard credits. Carbon credits can be generated from projects including but not limited to, forestry and land use, renewable energy, improved energy efficiency, agriculture, transportation, household devices, biomass and biogas facilities, waste disposal, carbon capture, utilization and storage (“**CCUS**”), wetland restoration, and other industrial projects.

Our management team intends to invest in projects that have a positive impact on the climate, local communities and biodiversity, and are expected to advance one or more of the United Nations’ Seventeen Sustainable Development Goals (“**UN SDGs**”). We intend to execute on our strategy by:

- (i) entering into streaming, royalty or royalty-like arrangements with project developers, NGOs, non- profits, companies, individuals and governments to purchase carbon credits from their assets or properties;



- (ii) purchasing carbon credits in the voluntary or compliance markets;
- (iii) acquiring or investing, in the form of equity, debt or other forms of investment, in entities, assets or properties involved in the origination, generation, monitoring, or management of carbon credits or related businesses; and
- (iv) executing acquisitions, short term development and resale of carbon credits, interests, royalties, streaming interests, portfolios, joint ventures, or equity holdings.

The Company has entered into one carbon credit streaming transaction to date, in respect of the MarVivo Blue Carbon Conservation Project (“**MarVivo**”), a mangrove forest and marine habitat conservation project to be developed in Magdalena Bay in Baja California Sur, Mexico that is expected to be developed as a REDD+ project (pursuant to the framework of the Reducing Emissions from Deforestation and forest Degradation (“**REDD**”)) and generate “blue carbon” credits over its 30 year project life.

In addition, on June 3, 2021, the Company announced it has entered into an exclusive term sheet (the “**BCI Term Sheet**”) with the Bonobo Conservation Initiative (“**BCI**”) to provide initial funding for BCI to develop two carbon credit projects within the Bonobo Peace Forest located in the Democratic Republic of Congo (the “**DRC**”).

On June 7, 2021, the Company announced that it had entered into a strategic partnership with WilsonZinter Enterprises Ltd. (“**WZ**”), a First Nations business in British Columbia, to source and finance investment opportunities in collaboration with British Columbia First Nations and develop carbon offset projects within their territories to combat climate change through the reduction of greenhouse gas (“**GHG**”) emissions.

### Carbon Streaming Impact Investing Policy

The Company’s purpose is to generate attractive returns for stakeholders through the provision of innovative capital solutions for projects that demonstrably advance the transition to a low-carbon future, with a particular focus on projects with Co-Benefits which advance one or more of the 17 UN SDGs. This focus begins at the identification of potential investments. Due to the nature of our business, our capital will necessarily be deployed to projects that combat climate change. In our view however, while every carbon credit represents one less tonne of CO<sub>2</sub>e in the atmosphere, not every carbon credit is equal in its contribution to a sustainable future.

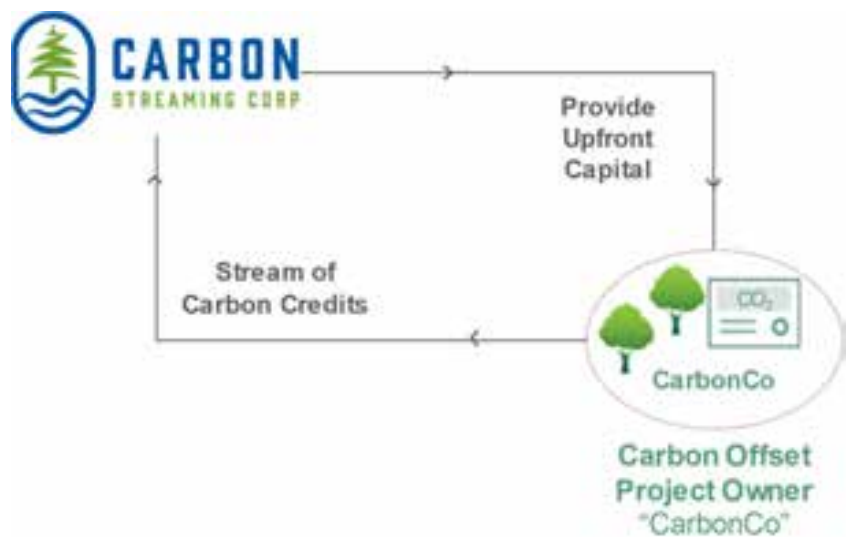


Management will seek, wherever possible, investments that make a sustainable impact beyond the removal, avoidance or sequestering of GHG emissions. Our sustainable investment screen will ensure the consideration of factors that may augment the sustainable impact of our capital beyond advancing climate action, while also ensuring attractive financial returns. These considerations may take the form of protecting endangered species or providing tangible benefits to the communities in the project area, or other activities which advance sustainable development (commonly referred to as “**Co-Benefits**”). It is our belief that by focusing on these goals, the carbon credits in our portfolio will attract a premium, which should increase the financial returns to our Shareholders. Given the decades long relationship that results from a carbon stream, the Company believes it is vitally important to partner with developers and project operators who share our goal to be instrumental in the transition to a sustainable, low-carbon economy.

**Streaming Business**

The Company provides alternative financing, particularly streams and royalties, to finance 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 developers, aggregators and/or owners of projects which require substantial capital to bring projects to fruition which will advance the transition to a low-carbon 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 at an attractive cost. In a stream agreement, the holder makes an upfront payment in exchange for the right to purchase all or a fixed percentage or amount of the subject of the stream (e.g. song royalties, ounces of gold, etc.) at a pre-agreed price or a percentage of a reference price for the term of the agreement, which is typically for a long term. Stream interests are established through a contract between the holder and the property or asset owner. Streams are not typically working interests in a property or an asset and, therefore, the holder is not responsible for contributing additional funds for any purpose.

A carbon credit stream is a contractual agreement whereby the stream purchaser makes an upfront payment (in the form of cash, shares or other consideration) in return for the right to receive all or a portion of future carbon credits generated by a project or an asset over the term of the agreement. An additional payment may be paid per carbon credit to the project or asset developer or owner when the carbon credits are delivered to the stream purchaser or when the carbon credits are sold by the stream purchaser.



The stream agreement provides the stream purchaser with exposure to carbon credits and potential price appreciation upside without taking on the operating responsibility and risk of managing a carbon offset project. It typically will also have lower ongoing costs than if the stream purchaser was to create and manage a similar property or asset on its own. To minimize risk of non-delivery of the carbon credits, the stream purchaser may take security over the property, asset, seller or the rights to the carbon credits.

Benefits of streams to the project developer or asset owner include an upfront payment and annual income over the project life. The developer or owner may use the upfront payment to fund project development on existing or new project activities, verification of carbon credits or for general corporate purposes. In some cases, the stream purchaser may assist the owner with implementation of the carbon offset project, including feasibility studies, registration, validation and verification, all of which may be too costly and complex for an owner to do on its own. A portion of the stream payments may also be invested locally to advance UN SDGs and improve the livelihood of the surrounding communities. Stream payments invested back into a project to fund activities, such as conservation or community programs to prevent deforestation, may result in higher GHG emissions reductions than originally projected thereby leading to an increase in the carbon credits generated by the project. Given the collective experience of its management team, Board and advisory board, Carbon Streaming believes it is ideally positioned to select projects and provide stream or royalty financing to those projects which will benefit from this financing structure.

**Acquisition Growth Strategy**

Carbon Streaming believes there is significant potential for stream-based financing in the carbon markets. For example, there are over 4,600 carbon offset projects currently listed in the four largest voluntary carbon credit registries, which is anticipated to significantly increase in response to rapidly increasing demand for carbon credits. The Taskforce on Scaling Voluntary Carbon Markets estimates that demand in the voluntary market for carbon credits could grow by approximately 15-fold to 1.5 to 2 GtCO<sub>2</sub> of carbon credits per year in 2030 from today, and by 100-fold to 7 to 13 GtCO<sub>2</sub> per year by 2050. Trove Research estimates the value of the voluntary market for carbon credits could reach US\$10 to US\$25 billion by 2030. Carbon Streaming is positioning itself to not only be able to provide funding to developers or project owners looking to innovatively finance new carbon offset projects or monetize some or all of their existing or future carbon credits today, but also to be able to market high quality carbon credits to the buyers that will need them to meet their regulated or voluntary requirements or goals as they offset their carbon footprint.

**Overview of the Company’s Carbon Credit Portfolio**

*Geographic Location of Portfolio*

*MarVivo: Magdalena Bay, Baja California Sur, Mexico*



*Summary of MarVivo Project*

Project Description	Blue carbon mangrove forest and associated marine habitat conversation
Location	Magdalena Bay, Baja California Sur, Mexico
Project Proponent(s)	Fundación MarVivo Mexico, MarVivo Corporation and CONANP
Project Size	~22,000 hectares of mangroves
Project Status	Development
Development Budget	US\$6 million
Initial Crediting Year	Est 2021
Project Life	30 years
Project Type	To be developed as REDD+ <sup>1</sup>
Certifications	n.a.
Total GHG Emission Reduction (life of carbon offset project) ~26 million tCO <sub>2</sub> e	
Non-Profit Partnerships	NAKAWE Project
Additional Benefits	<ul style="list-style-type: none"><li>● Protection of several species on the IUCN RED list</li><li>● Creation of an ecotourism industry</li><li>● Estimated US\$2M annual direct benefits to local communities</li></ul>

*MarVivo Investment and Project Overview*

On May 13, 2021, Carbon Streaming entered into a purchase and sale agreement (the “**MarVivo Stream**”) among Fundación MarVivo Mexico, A.C., MarVivo Corporation and the Company pursuant to which the Company agreed to invest US\$6 million to implement the MarVivo project, which is located in Magdalena Bay in Baja California Sur, Mexico, which is focused on the conservation of mangrove forest and its associated marine habitat. MarVivo 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 non-profit groups and NAKAWE Project, as well as the local communities of San Carlos (population ~5,000) and Lopez Mateos (population ~3,000), are also stakeholders involved in the project.

The MarVivo Stream is to 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 date of the first delivery of carbon credits, which is expected to occur in the first half of 2023. To acquire the MarVivo Stream, Carbon Streaming agreed to pay MarVivo Corporation an upfront payment of US\$6 million, which is expected to fully fund the initial project development costs. US\$2 million in cash will be paid upon closing, and the balance will be paid in four installments upon specific milestones being met during project development. In addition, the Company will pay MarVivo Corporation 40% of the revenue received on the sale of the MarVivo carbon credits on a quarterly basis. The Company expects the MarVivo transaction to close in the third quarter of 2021. Osisko Gold Royalties Ltd (“**Osisko**”) has provided notice to the Company that it intends to exercise its participation rights in respect of the MarVivo transaction. See “*Material Contracts*”.

<sup>1</sup> Expected standard.

Magdalena Bay is home to Baja's largest mangrove forest creating an incredibly 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 MarVivo project intends to prevent the same from occurring in Magdalena Bay. The project 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.

Blue carbon refers to carbon stored in coastal and marine ecosystems. 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 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.

A portion of the proceeds from the sale of MarVivo's 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 US\$2 million of direct annual benefits are estimated to be received by the local communities once MarVivo is fully operational. Project developers, 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 also further funding efforts to help facilitate conservation and development of ecotourism.

Annual GHG emissions reductions for MarVivo are estimated at 872,122 tCO<sub>2</sub>e by MarVivo Corporation, which totals approximately 26 million tCO<sub>2</sub>e over the initial 30-year project life. MarVivo Corporation plans to have the project registered and validated under the Verified Carbon Standard ("VCS") and Climate, Community and Biodiversity Standard ("CCB Standard") administered by Verra. The project start date for crediting is anticipated to be January 1, 2021 with the first carbon credits from the MarVivo project expected in the first half of 2023. The Company believes the MarVivo carbon credits will attract premium pricing due to being "blue carbon" credits and the additional Co-Benefits that will be attributed to the project.

#### **Other Carbon Credits Agreements**

##### ***BCI Term Sheet***

On June 3, 2021, the Company entered into the BCI Term Sheet with BCI to provide initial funding for BCI to develop two carbon credit projects within the Bonobo Peace Forest ("BPF") located in the DRC. The two projects account for over 67% of the total 5,258,700 hectares (ha) area within the BPF and offer a combined potential to avoid and remove hundreds of millions of tonnes of CO<sub>2</sub>e over the 30-year span of the agreement. They are located within the Sankuru Nature Reserve (3,057,000 ha) and the Kokolopori Bonobo Reserve (479,480 ha). These projects are expected to generate multiple social and economic benefits for local communities and help spearhead biodiversity conservation measures. The REDD+ framework will be used to define the projects, both of which are anticipated to be certified through the VCS. The Company expects the projects to be developed over the next 18-24 months.

WZ JV Agreement

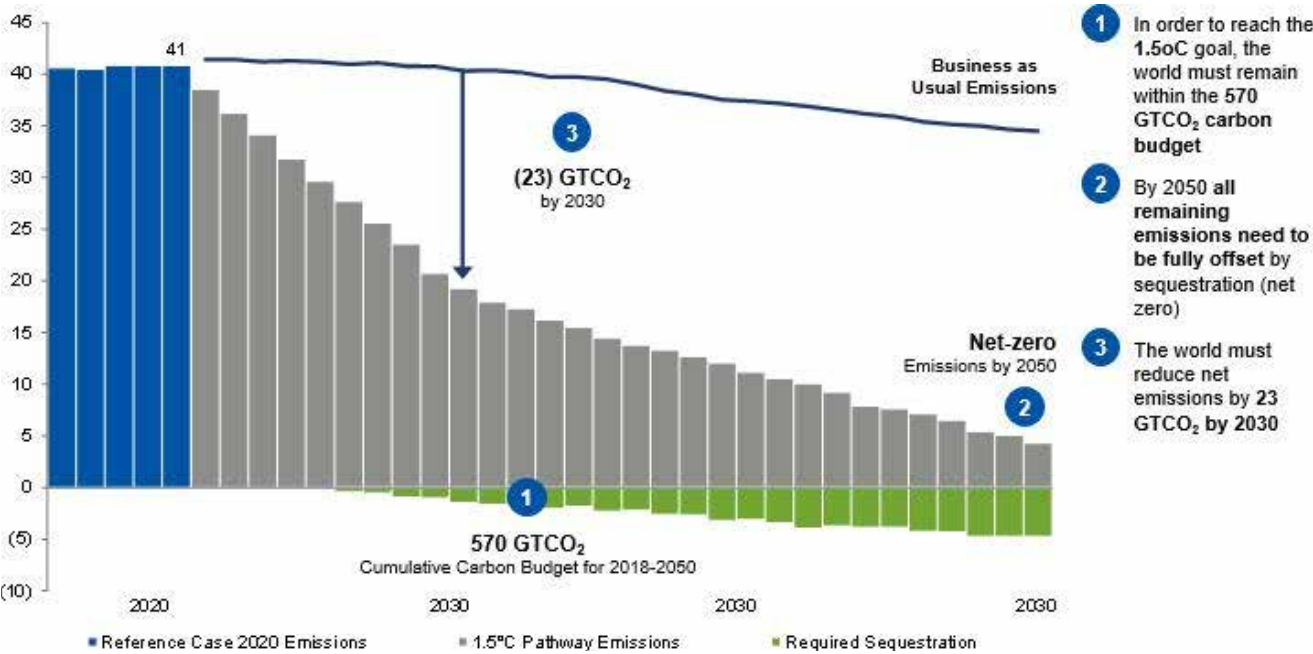
On June 7, 2021, the Company formed a joint-venture partnership with WZ to source and finance investment opportunities in collaboration with First Nations and develop projects within their territories to combat climate change through the reduction of GHG emissions. In partnership, the Company and WZ 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.

Background on Carbon Markets

Global Climate Initiatives

In 2015, 196 parties came together under the Paris Agreement (the “**Paris Agreement**”) 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% of current levels 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 CO2 Net Emissions)<sup>2</sup>



Note: 570GT of cumulative CO2 emissions from 2018 for a 66% chance of a 1.5°C increase in global mean surface temperature (GMST). While emissions fell by a quarter at the peak of COVID-related lock-down, daily emission have rebounded to be only 5% lower than 2019 levels. Scenarios to 2050 still remain the same.

According to a recent report by the International Energy Agency (“IEA”), while annual global CO<sub>2</sub> emissions for 2020 fell by 6% due to lockdowns and a slowdown in the global economy due to the COVID- 19 pandemic, which was the largest annual decline since World War II, by December 2020, CO<sub>2</sub> emissions had risen to a level 2% higher than the same month in 2019.<sup>3</sup> The Intergovernmental Panel on Climate

<sup>2</sup> Taskforce on Scaling Voluntary Carbon Markets, Final Report, January 2021.

<sup>3</sup> IEA, Global Energy Review: CO<sub>2</sub> Emissions in 2020, March 2, 2021.

Change (IPCC), which publishes an annual report that compares current climate commitments under the Paris Agreement to where they need to be to achieve the goals of the agreement, has stated that the window of opportunity to limit global warming and its dramatic consequences is closing fast.<sup>4</sup>

In response, countries have begun to increase their commitments to reduce global GHG emissions. In 2020, 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, currently tracks the net-zero commitments of countries, which can be found on their website at <https://eciu.net/netzerotracker>.

### ***Carbon Pricing***

Carbon pricing is expected to play a critical role in efforts to move to net-zero emissions by incentivizing technological innovation and progress in decarbonization technologies. Carbon pricing essentially puts a price on GHG emissions, which is often expressed as a monetary unit per tCO<sub>2</sub>e. Carbon dioxide equivalent converts other GHGs, such as methane and nitrous oxide, into the amount of CO<sub>2</sub> which would have the equivalent global warming impact. It enables different GHGs to be combined and described in a common unit.

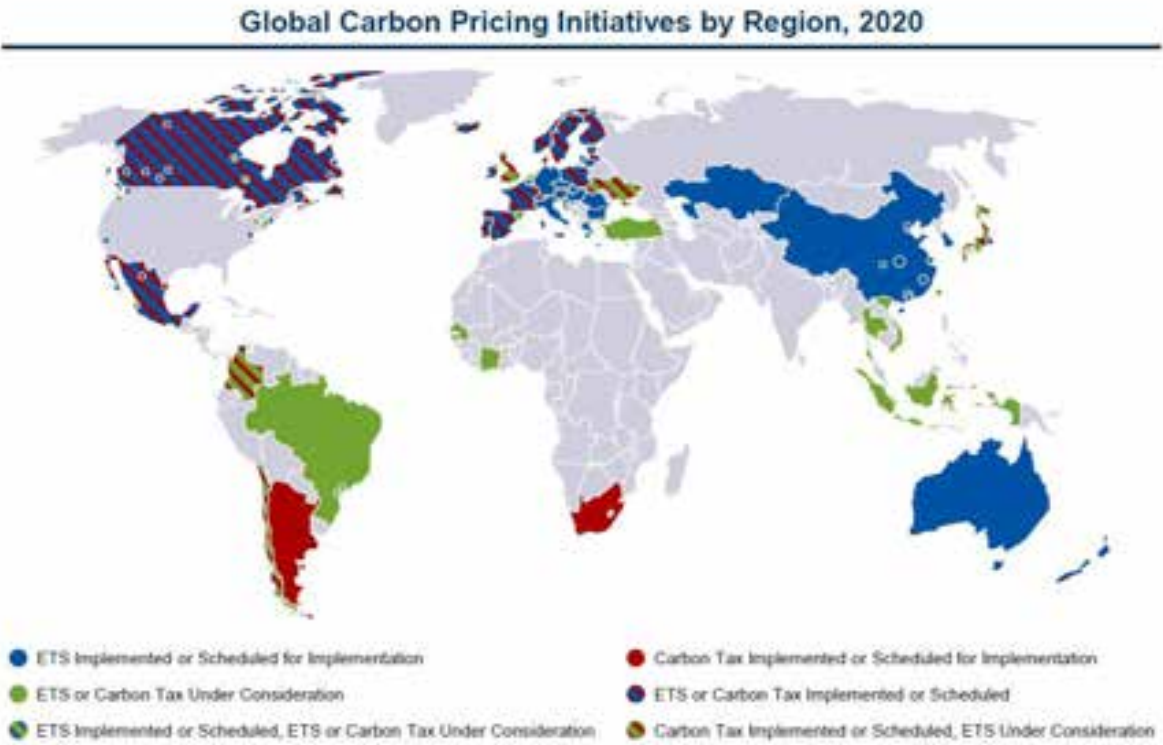
Carbon pricing is being used by governments as a cost-effective tool to achieve their GHG emissions reduction goals. Regulated carbon pricing has proven to be an effective, flexible and low-cost approach to reducing emissions, through incentivizing consumers and producers to shift away from high-emissions processes and products to low-carbon alternatives.

According to the World Bank Group, there are presently 64 carbon pricing initiatives in the form of carbon taxes or emission trading systems (“ETS”) that have been implemented or are scheduled for implementation by national, subnational or regional jurisdictions. In an ETS, a jurisdiction or coalition of members sets a cap on the total annual GHG emissions to be generated by specific industries. The cap then 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. Additional information on these carbon pricing initiatives and how they have evolved over the last century can be found at the World Bank Group’s website - <https://carbonpricingdashboard.worldbank.org/>.

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<sup>4</sup> IPCC, AR5 Synthesis Report: Climate Change 2014.





Carbon prices in many jurisdictions, however, remain substantially lower than those needed to achieve the objectives of the Paris Agreement, with half of covered emissions priced at less than US\$10/tCO<sub>2</sub>e as of May 2020. The High-Level Commission on Carbon Prices, led by former World Bank chief economist Nicholas Stern, estimated that carbon prices of at least US\$50-100/t CO<sub>2</sub>e are required by 2030 to cost-effectively reduce emissions in line with the Paris Agreement.

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<sup>5</sup>, 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<sub>2</sub>e, which is below the level needed to achieve the goals of the Paris Agreement as shown above. 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 precursor to the Paris Agreement was the Kyoto Protocol, which was adopted on December 11, 1997. Due to a complex ratification process, it entered into force on February 16, 2005 and there are currently 192 parties to the protocol. The Kyoto Protocol operationalized the United Nations Framework Convention on Climate Change 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 approaches for fighting climate change and the development of two broad types of carbon markets: compliance and voluntary.

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<sup>5</sup> CDP, Putting a Price on Carbon, April 2021.



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 emission cap for compliance purposes and led to the creation of the EU Emissions Trading Scheme (“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 volume and value. As discussed in “*Carbon Pricing*”, ETSs are created and regulated by national or regional jurisdictions and collectively form the compliance carbon market. 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 voluntary carbon markets function outside of the compliance market and allow corporations, governments, asset managers and individuals that have voluntarily agreed to offset their GHG emissions to purchase carbon credits in the voluntary market in order to achieve their sustainability objectives. Carbon credits are purchased on the voluntary market and then “retired” by the purchaser to offset their GHG emissions.

Some carbon credits created in the voluntary markets are permitted to cover a portion of the emissions of a regulated entity in certain ETSs. 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 US\$320 million in trades in 2019, representing 104 million tonnes of CO<sub>2</sub>e in carbon credits.<sup>6</sup> In comparison, global compliance markets traded €29 billion (US\$261 billion) in value representing volume of 10.3 giga tonnes of CO<sub>2</sub>e in 2020<sup>7</sup>. However, voluntary markets are expected to have strong growth in both volume and value of credits going forward.<sup>8</sup>

In January 2021, Trove Research undertook an analysis on the potential size of the voluntary carbon markets. They projected a range for demand of carbon offsets in 2030 to be 500 to 900 MtCO<sub>2</sub>e, increasing to 3 to 9.5 GtCO<sub>2</sub>e in 2050. The projected market value of the voluntary carbon market estimated by Trove Research is shown in the figure below with the green representing their low scenario (corporate demand for carbon offsets increases at 19% annually to 2025 (the average rate of growth over the last 4 years) and then 10% annually from 2025 to 2050) and the blue their high scenario (19% annual growth to 2030 and 15% annual growth to 2050). Both Trove Research scenarios exclude additional demand from Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and EU oil companies.

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<sup>6</sup> Ecosystem Marketplace “State of the Voluntary Carbon Markets 2020”, September 2020.

<sup>7</sup> Refinitiv, Carbon Market Year in Review 2020.

<sup>8</sup> Trove Research – The Global Voluntary Carbon Market (January 2021).

Voluntary carbon market size projections<sup>9</sup>



**Carbon Credit Exchanges & Pricing**

Carbon credits are traded on both private and public markets. Some exchanges that specialize in the trading of carbon credits include the European Climate Exchange, the NASDAQ OMX Commodities Europe exchange, and the European Energy Exchange. The prices of carbon credits are primarily driven by the levels of supply and demand in the markets.

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 year the credit was created), verification standard and associated Co-Benefits (such as job creation, water conservation or preservation of biodiversity).

**Projects Generating Carbon Credits**

Projects generating carbon credits are typically grouped into two categories: (i) avoidance / reduction projects, such as forest conservation, renewable energy or methane capture and (ii) removal / sequestration projects, such as reforestation/afforestation, wetland restoration or direct air capture technology, the most common 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 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 (i.e. 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 includes projects which help protect existing forests that would have otherwise been deforested without such conservation efforts and the revenue generated from carbon credits.
- *Improved energy efficiency.* Carbon credits may be created from improved energy efficiency 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. Costs of solar and other renewables projects vary based on the type of renewable, the geographic location of the project and project scale.

<sup>9</sup> Trove Research – The Global Voluntary Carbon Market (January 2021).

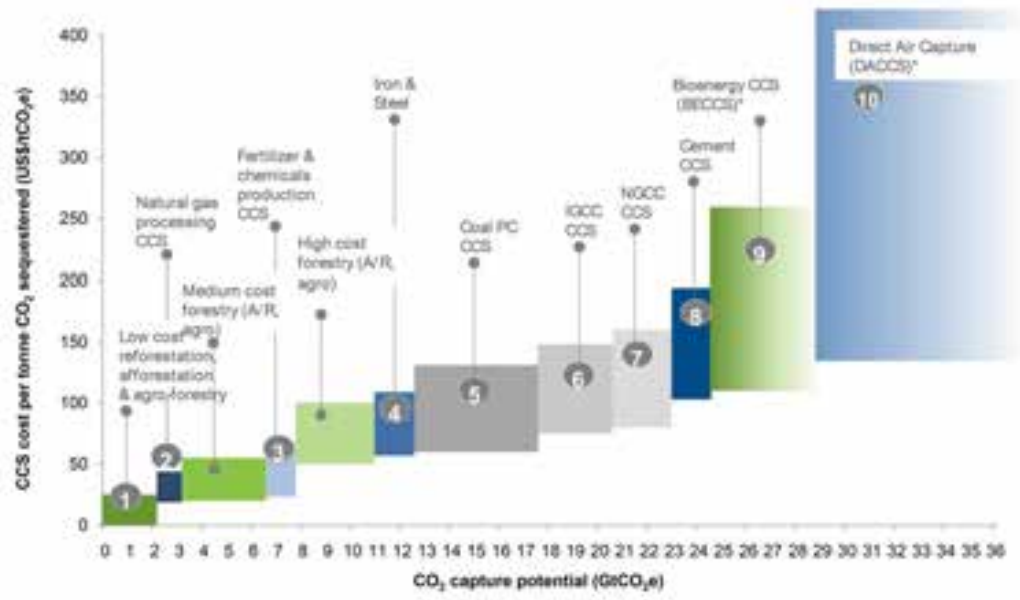
- *Wetland restoration.* Wetlands are globally important carbon sinks, storing vast amounts of carbon. Peatlands hold a disproportionate amount of the earth’s soil carbon, and coastal wetlands such as mangroves, salt marshes and sea grass beds are vital for the sequestration of “blue carbon” (the high-density and long-life carbon that accumulates in coastal systems as a result of their high productivity and sediment trapping ability).
- *Methane capture.* These projects capture methane from landfills or agricultural 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 destroy GHGs by flaring, in turn generating electricity that can be harnessed for other purposes such as heating or fuel for vehicles.

**The Cost of Carbon Credit Projects**

Carbon credit projects have various cost points that may make them more or less attractive for companies or developers to pursue in order to achieve their climate initiatives.

The table below shows the steep cost curve associated with carbon sequestration activities, which includes natural carbon sinks and CCUS that reduce net emissions by removing carbon from the atmosphere. The table depicts carbon abatement potential as a result of prospective sequestration technologies. Given that direct air carbon capture storage’s (DACCS) carbon abatement potential is essentially limitless, the x axis is arbitrary and not intended to define potential bounds.

**Carbon sequestration cost curve (US\$/tCO<sub>2</sub>) and the GHG emissions abatement potential (GtCO<sub>2</sub>)<sup>10</sup>**



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

<sup>10</sup> Goldman Sachs, Carbonomics - Innovation, Deflation and Affordable De-carbonization, October 13, 2020. CCS=carbon, capture and storage; DACC=direct air carbon capture.

## ***Credit Verification***

Quality carbon credits, certified or verified by recognized standards, are generally required to meet the following criteria:

- *Real, quantifiable and measurable.* The emission reductions or removal must be realized and quantified based on a credible baseline using a recognized methodology expressed using standard GHG metrics. For example, a range of factors are considered when estimating forest offsets, including existing timber inventory (e.g. age, species, volume), management, sustainability constraints, timing of harvests and regeneration strategies, among others. They also cannot be double counted or double claimed.
- *Additional.* The project activity is required to 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.
- *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 in relation to forest offsets) then buffer pools can sometimes be put in place to minimize that risk and account for reversals should they occur.
- *Verified.* The emission reductions or removals from the project should be monitored, reported and verified by a qualified, independent third-party in accordance with verification standards.

The verification of carbon credits is carried out by qualified independent companies, in accordance with approved methodologies stipulated by standards organizations that usually maintain their own carbon credit registry. Standards set the project design, monitoring, and reporting criteria against which a project's carbon offsetting activities and/or environmental and social Co-Benefits can be certified or verified. In the voluntary markets, a number of competing standards organizations have emerged with the intent to increase credibility in the marketplace. Some of the more commonly used standards include the Verified Carbon Standard (VCS) by Verra, The Gold Standard, American Carbon Registry and Climate Action Reserve.

VCS projects can also achieve additional accreditation by two other programs administered by Verra - the CCB Standards, which identifies projects that simultaneously address climate change, support local communities and smallholders, and conserve biodiversity, and Sustainable Development Verified Impact Standard (SD VISTA), which assesses the sustainable development benefits of a project based on the 17 UN SDGs. In 2019, VCS and VCS+CCB carbon credits accounted for 66.2% of transacted volume on the voluntary markets.

## **Employees**

As of the date of this AIF, the Company had seven full-time employees. 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 Description of the Business – Three Year History*” involving the consolidation of its Shares, the Amalgamation, the appointment of new management, the adoption of a new investment 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 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.

### **Risks Relating to the Company’s Business, Industry and Operating Environment**

#### ***Dependence upon key management***

The Company is dependent upon the continued availability and commitment of its key management, whose contributions to immediate 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 & Chief Executive Officer and Chief Financial Officer, respectively, of Nickel 28 Capital Corp.

### ***Limited operating history for the Company's current strategy***

Following the completion of the Amalgamation, the Company changed its business strategy from a focus on the natural resource sector to the carbon credits markets. Prior to the Amalgamation, the Company did not have any record of operating under an investment 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 trading, stream agreements for carbon credits, 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 make profitable acquisitions of carbon credits, streams or other interests. In particular, its future growth and prospects will depend on its ability to expand its portfolio of investments while at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Company's business, financial condition and results of operations.

The Company has sought and will continue to seek to invest in carbon credits, and businesses or investments related to carbon credits. In pursuit of such opportunities, the Company may fail to identify or select appropriate investment targets, or negotiate acceptable arrangements, including arrangements to finance the investments. The Company may be unable to identify or select appropriate investment targets in the numbers or at the pace it currently expects for a variety of reasons, 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; (vi) other government or regulatory actions that could impact the Company's business model.

### ***Concentration risk***

The business of the Company is to invest in carbon credits, and businesses or investments related to carbon credits. Given the concentration of the Company's exposure to carbon credits, the Company's investment portfolio will be more susceptible to adverse economic or regulatory occurrences affecting carbon credits and carbon markets than an investment fund that holds a diversified portfolio of securities.

Further, the Company has entered into only one carbon credit stream agreement, which is expected to close in the third quarter of 2021, MarVivo. Any adverse development affecting the development and operation of MarVivo, including our ability to close the transaction, 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 diversification is achieved, the Company will continue to have a significant portion of its assets dedicated to a small number of carbon credit projects, and businesses or investments related to carbon credits.

### ***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 royalty and stream financing model is relatively new in the carbon credit industry, it may not gain acceptance, or experience widespread growth, as anticipated. 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.

### ***Fluctuating price of carbon credits***

The principal factors anticipated to affect the price of the Shares and Warrants are factors which may affect the price of carbon credits and are thus beyond the Company's control. The price at which the Shares and Warrants are traded will be influenced by a number of factors, some specific to the Company and some which may affect listed companies generally. These factors could include the performance of the Company, legislative and regulatory changes and 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. Changes in government priorities 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 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. It is likely that the market price for the Company's carbon credits will be subject to market trends generally.

### ***Reduced demand for carbon credits***

The demand for, and the market price of, 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 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 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 may fall to an unsustainably low price, preventing profitability of the Company.

### ***Lack of liquidity and high volatility 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 investments will find a market. The carbon credit market, particularly the voluntary markets, have experienced a high level of price and 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.

### ***Verification, cancellation and other risks associated with carbon credits***

In seeking to acquire and grow a diversified and high-quality portfolio of streams and investments in projects that generate carbon credits over the long term, the Company's intention is to have all such project(s) validated under the VCS and CCB Standards and registered by Verra. Any actual or proposed changes to international carbon standards or verification requirements, including without limitation VCS and CCB 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.

In addition, the projects that the Company enters into 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 investments in such projects, and may result in a material and adverse effect on our profitability, results of operations and financial condition.

### ***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 is regulated by specific jurisdictions pursuant to regional legislation or can be voluntary. When regulated (e.g. in the European Union and in the Western Climate Initiative jurisdictions), 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.

### ***Impact of the COVID-19 pandemic***

The ongoing COVID-19 pandemic could materially 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 the timing of validation and verification deadlines for certifying organizations, which could delay the timing of delivery of carbon credits to the Company.

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 harms our business and results of operations, many of the other risks described in this "Risk Factors" section may also be heightened.

### ***Liquidity concerns and future financing requirements***

The Company had negative cash flow from operations for the year ended June 30, 2020. It is likely the Company will operate at a loss until we are able to realize cash flow from our investments. 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 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 their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

### ***Foreign operation and political risk***

The Company's investments may be focused in a particular country, countries, or region and therefore may be susceptible to adverse market, political, regulatory, and geographic events affecting that country, countries or region. A significant proportion of the Company's short-term and medium-term opportunities are located outside of North America. Such geographic focus also may subject the Company and its investments to a higher degree of volatility.

In particular, as of the date of this AIF, the projects that the Company has contracted with to generate carbon credits are located in Mexico and the DRC. There is no guarantee against any future political, or economic instability in Mexico, the DRC, or neighboring countries that might adversely affect the Company.

Risks the Company may face with respect 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, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls, export controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or other events.

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

### ***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.

### ***Rights of third parties***

Some streams may be subject to: (i) buy-down right provisions pursuant to which an operator, developer, 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.

### ***Dependence on third party project developers, owners and operators***

Carbon credits received by the Company are derived from projects that are operated by third parties. These third parties will be responsible for determining the manner in which the relevant properties are developed, operated and managed, including decisions that could expand, continue or reduce the number of carbon credits generated from a property or an asset. As a holder of streams 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 developers, 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.

### ***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.

### ***Streams may not be honoured by developers or operators of a project***

Streams are largely contractually based. 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. 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.

### ***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 risk***

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

### ***Permits & licenses***

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

### ***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. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and valuation. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity; the volatility of carbon credit prices would impact our revenues, profits, losses, cash flow and the value of our carbon credit holdings; and continued recessionary pressures could adversely impact demand for carbon credits and related investments. These factors could have a material adverse effect on our financial condition and operating results.

### ***Foreign exchange rates***

Carbon credits are typically purchased in U.S. currency. However, the Company currently maintains its accounting records, reports its financial position and results, pays certain operating expenses and intends to have its securities listed on an exchange, in Canadian currency. Although the Company intends to adopt U.S. currency as its functional currency for the coming fiscal year, fluctuation in the U.S. currency exchange rate relative to the Canadian currency could negatively impact the value of the securities. Investment in carbon credits and/or equity securities denominated in a currency other than Canadian currency will be affected by the changes in the value of the Canadian dollar in relation to the value of the currency in which the carbon credit or security is denominated. Because exchange rate fluctuations are beyond 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 Shares or Warrants.

### ***Future acquisitions***

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

### ***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, 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.

### ***Regulatory change***

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

### ***Litigation***

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

### ***Leverage***

The Company may use financial leverage by borrowing funds against the assets of the Company. The use of leverage increases the risk to the Company and subjects the Company to higher current expenses. Also, if the value of the Company's assets drops to the loan value or less, Shareholders could sustain a total loss of their investment.

### ***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. 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 Mexico and the DRC. 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 MarVivo project is located in Mexico, the BCI projects are located in the DRC, and 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.

### ***Sensitivity to nature and climate conditions***

The physical risks of climate change may also have an adverse effect on our operations. 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. Also see the risk “Verification, cancellation and other risks associated with carbon credits”.

### ***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 “*Forward-Looking Information*”.

### **Risks Related to Securities of the Company**

#### ***No current market for Shares and Warrants***

There is currently no market through which the Shares and Warrants may be sold, and such a market may not develop and therefore, holders may not be able to resell the Shares and Warrants. This may affect the pricing of the Shares and Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Shares and Warrants and the extent of issuer regulation.

#### ***Volatility of market price for the Shares or Warrants***

If and when there is a market through which the Shares and Warrants may be sold, 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 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 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 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 Shares by those institutions, which could adversely affect the trading price of the Shares and Warrants.

#### ***Equity dilution***

The Board may issue an unlimited number of 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 Shares could decline.

#### ***Increased expenses as a result of being a listed public company***

Upon completion of listing on the NEO Exchange, the Company will incur additional significant 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. Compliance with applicable securities laws in Canada and the rules of the NEO Exchange substantially increase expenses, including legal and accounting costs, and make some activities more time consuming and costly. Canadian securities laws and the rules of the NEO Exchange 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 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 a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively 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 Shares.



## GENERAL DEVELOPMENT OF THE BUSINESS

### Three Year History

#### 2004 - 2019

Until 2012, the Company's principal business purpose was to acquire and explore mineral properties in North America. From 2012 to early 2020, the Company was inactive. Since June 2020, the Company's focus has been on acquiring and investing in carbon credits in the compliance and voluntary carbon markets.

The Shares previously traded on the TSX Venture Exchange ("TSX-V") under the symbol "MNV". The Shares were subsequently halted from trading, subject to cease trade orders ("CTOs") and delisted from the TSX-V on May 9, 2017 following the failure of a previous management team to file statements for the fiscal year ended June 30, 2012, and corresponding MD&A and certifications. The CTOs 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).

#### 2020

In February 2020, the Company was successful in obtaining full revocation orders to all three CTOs. Since then, the Company has undertaken the following corporate activities:

- 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 \$714,000 through the sale of units of Fundco).
- 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.
- 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 Share for every 100 previously issued common shares (so as to have 695,636 post-consolidated Shares outstanding).
- On June 17, 2020, the Company completed a three-cornered amalgamation (the "**Amalgamation**") pursuant to 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, 1253661 B.C. Ltd. ("**Amalco**"); (ii) the Company issued an aggregate of 14,280,000 Shares 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 (the "**Amalgamation Agreement**").
- On December 16, 2020, the Company raised \$70,000 through the sale of 1,400,000 Units at \$0.05 per Unit, with each Unit consisting of one Share and one Warrant exercisable at \$0.125 per Share until December 16, 2025.
- On December 22, 2020, the Company raised \$172,500 through the sale of 3,450,000 Units at \$0.05 per Unit, with each Unit consisting of one Share and one Warrant exercisable at \$0.125 per Share until December 22, 2025.

## 2021

During 2021, the Company has undertaken the following corporate activities:

- On January 27, 2021, the Company completed a private placement for aggregate proceeds of \$3,667,500 through the sale of 14,670,000 Units at \$0.25 per Unit, with each Unit consisting of one Share and one Warrant exercisable at \$0.75 per Share until January 27, 2026.
- 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 March 11, 2021, the Company completed a private placement for aggregate proceeds of \$32,474,451 through the sale of 43,299,268 Units at \$0.75 per Unit (each Unit consisting of one Share and one Warrant exercisable at \$1.50 per Share until March 2, 2026) (the "**March 2021 Private Placement**").
- On April 11, 2021, each of R. Marc Bustin, Saurabh Handa and Jeanne Usonis were appointed to the Board and Justin Cochrane resigned from the Board.
- On May 12, 2021, the Company completed a private placement for aggregate proceeds of \$11,611,000 through the sale of 11,611,000 Shares at a price of \$1.00 per Share.
- On May 17, 2021, the Company announced that it had entered into a carbon credits stream agreement to invest US\$6 million to implement the proposed MarVivo Blue Carbon Conservation Project in Magdalena Bay in Baja California Sur, Mexico. See "*Description of the Business – Overview of the Company's Carbon Credit Portfolio*".
- On June 3, 2021, the Company announced that it had entered into an exclusive term sheet with BCI to provide initial funding for BCI to develop two carbon credit projects within the Bonobo Peace Forest located in the DRC.
- On June 7, 2021, the Company announced that it had entered into a strategic partnership with WZ, a First Nations business in British Columbia, to source and finance investment opportunities in collaboration with First Nations and develop projects within their territories to combat climate change through the reduction of GHG emissions.
- On June 9, 2021, the Company announced that it had expanded its management team through the addition of Michael Psihogios as Chief Investment Officer, Anne Walters as General Counsel and Corporate Secretary, Alec Kushnir as EVP, Energy Carbon Credit Origination, and Amy Chambers as Director, Marketing, Communications & Sustainability.
- On June 29, 2021 Justin Cochrane was re-appointed to the Board as part of the Company's annual shareholders meeting.

*New Directors & Officers*

New directors and officers of the Company have been appointed in Fiscal 2021. The current directors and officers of the Company are as follows:

R. Marc Bustin	Director
Saurabh Handa	Director
Maurice Swan	Director & Chair of the Board
Andy Tester	Director
Jeanne Usonis	Director
Justin Cochrane	Director, President & Chief Executive Officer
Conor Kearns	Chief Financial Officer
Michael Psihogios	Chief Investment Officer
Anne Walters	General Counsel & Corporate Secretary

*Investment Committee*

The Company has established an investment committee (the “**Investment Committee**”) comprised of members of senior management, the Board and the Advisory Board to review proposed transactions identified by management and to make recommendations regarding such transactions to the Board. At present, the Investment Committee is chaired by Kristen Kleiman and is comprised of the following individuals: Maurice Swan, Jeanne Usonis, Justin Cochrane and Michael Psihogios with other members added on an ad hoc basis.

*Advisory Board*

The Company also established an advisory board during Fiscal 2021 to which the following individuals were appointed: Kristen Kleiman, Robert Falls, Bart Simmons, Sean Roosen and Mike Harcourt. See “*Directors and Officers – Advisory Board*”.

*Other*

Other than as stated herein there were no acquisitions, dispositions, changes to management, or financings in the past three fiscal years (ending June 30, 2018, 2019 and 2020).

**Investor Rights Agreement**

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. Osisko currently holds 6.53% of the Shares (or 11.66% on a partially diluted basis assuming the exercise of Warrants held by Osisko). See also “Principal Securityholders”.

**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 10,800,000 Shares and Warrants 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 Shares beneficially owned directly or indirectly by Osisko, together with its affiliates, is not less than 7.5% of the outstanding Shares.

## ***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. During times that Osisko, together with its affiliates, beneficially own directly or indirectly, (i) until the date that is three (3) years from the date of the Investor Rights Agreement, not less than an aggregate of 10,800,000 Shares and Warrants and (ii) at any time after the date that is three (3) years from the date of the Investor Rights Agreement, not less than 7.5% of the issued and outstanding Shares, if the Company proposes to issue or sell any 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 Shares.

### ***Stream Participation Right***

Provided that Osisko meets the same ownership conditions, either (i) or (ii), as applicable, 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.

## **Significant Acquisitions**

On June 17, 2020 the Company completed a three-cornered amalgamation whereby (i) the Company’s subsidiary, 1247374 B.C. Ltd. amalgamated with Fundco to form a new amalgamated company, 1253661 B.C. Ltd. (“**Amalco**”), (ii) the Company issued an aggregate of 14,280,000 Shares 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. The Amalgamation was treated, for accounting purposes, as an acquisition of assets by the Company in that Fundco’s only assets were cash and its outstanding loan to the Company; and as such the Company did not file a Form 51-102F4 in respect of the acquisition.

## DIVIDENDS AND DISTRIBUTIONS

The Company has not, since the date of its incorporation, declared or paid any dividends on its 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 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

The Company is authorized to issue an unlimited number of Shares, of which there were 14,975,636 Shares issued and outstanding as of June 30, 2020. As of the date of this AIF, there are 103,364,237 Shares issued and outstanding.

### *Shares*

The Company's 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 Shares, all of which rank equally as to all benefits which might accrue to the holders of the Shares. All holders of 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 Shares, every Shareholder has one vote for each Share of which he is the registered owner. Voting rights may be exercised in person or by proxy.

The holders of 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 Shares or holders of Shares have any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions. No holder of Shares has any rights to permit or restrict the issuance of additional securities or any other material restriction. All outstanding Shares are fully paid and non-assessable, without liability for further calls or to assessment. Rights pertaining to the Shares may only be amended in accordance with applicable corporate law, which includes approval of the holders of such Shares.

### *Warrants*

As of June 30, 2020, the Company had Warrants outstanding enabling the holders to acquire up to 14,280,000 Shares at a price of \$0.125 per Share at any time up until April 22, 2025. Since Fiscal 2020, the following additional Warrants have been issued by the Company:

- (i) 1,400,000 Warrants exercisable to acquire Shares at a price of \$0.125 per Share at any time up until December 16, 2025;
- (ii) 3,450,000 Warrants exercisable to acquire Shares at a price of \$0.125 per Share at any time up until December 22, 2025;
- (iii) 14,670,000 Warrants exercisable to acquire Shares at a price of \$0.75 per Share at any time up until January 27, 2026; and

- (iv) 43,299,268 Warrants exercisable to acquire Shares at a price of \$1.50 per Share at any time up until March 2, 2026.

As of the date of this AIF, there are 63,972,601 Warrants issued and outstanding. Accordingly, an aggregate of up to 63,972,601 Shares are issuable upon the exercise of all outstanding Warrants.

#### *Options, Restricted Share Units and Performance Share Units*

The Company has adopted the Long-Term Incentive Plan (“**LTIP**” or “**Plan**”) as a means to provide incentive to eligible directors, officers, employees and consultants (“**Participants**”). There were no options outstanding under the LTIP as at June 30, 2020. As of the date of this AIF, there are 3,200,000 Options, 2,500,000 RSUs outstanding and nil PSUs outstanding.

The purpose of the Plan is to advance the interests of the Company by: (i) providing Participants with additional incentives; (ii) encouraging stock ownership by such Participants; (iii) increasing the proprietary interest of Participants in the success of the Company; (iv) promoting growth and profitability of the Company; (v) encouraging Participants to take into account long-term corporate performance; (vi) rewarding Participants for sustained contributions to the Company and/or significant performance achievements of the Company; and (vii) enhancing the Company’s ability to attract, retain and motivate Participants. The LTIP is administered by the Board, and Stock Options, RSUs and PSUs (collectively, “**Awards**”) are granted thereunder at the discretion of the Board to eligible Participants.

To be eligible to receive Awards under the LTIP, a Participant must be either a director, officer, employee, consultant, or an employee of a company providing management or other services to the Company or a subsidiary at the time the incentive is granted. However, persons providing investor relations services are not eligible to receive RSU or PSU awards.

The LTIP is a 10% rolling plan and the total number of Shares issuable upon exercise of all Awards under the LTIP cannot exceed 10% of the Company’s issued and outstanding Shares on the date on which an Award is granted. The following is a summary of the material terms of the LTIP:

- (a) The total number of Shares reserved for issuance under all Awards to any one Participant in any 12-month period must not exceed 5% of the outstanding Shares at the time of grant.
- (b) The total number of Shares reserved for issuance under all RSUs and PSUs to any one Participant in any 12-month period must not exceed 1% of the outstanding Shares at the time of grant.
- (c) The total number of Shares reserved for issuance under all Awards to all non-executive directors must not exceed 1% of the Company’s outstanding Shares at the time of grant.
- (d) The total number of Shares reserved for issuance under all Awards to any one consultant in any 12-month period must not exceed 2% of the outstanding Shares at the time of grant.
- (e) The total number of Shares reserved for issuance under all Stock Options to all persons providing investor relations activities in any 12-month period must not exceed 2% of the outstanding Shares at the time of grant, with no more than 25% of the Stock Options vesting in any three (3) month period.
- (f) The exercise price of a Stock Option must not be less than the market price of the Company’s Shares on the date of grant.

- (g) All Stock Options must expire not later than 10 years after the date of grant. However, should the expiry date fall within a trading blackout period (generally meaning circumstances where material information is not yet public), then within ten business days following the expiration of such blackout period.
- (h) Vesting of Stock Options shall be at the discretion of the Board, and will generally be subject to the Participant remaining as a director, or employed by or continuing to provide services to the Company.
- (i) RSU and PSU Awards will be subject to such conditions, vesting provisions, and performance criteria as the Board may determine for each grant; and the Board shall determine whether each Unit Award shall entitle the Participant:
  - (i) to receive one Share issued from treasury; (ii) to receive the cash equivalent of one Share; or (iii) to elect to receive a combination of cash and Shares.
- (j) In the event of a change of control of the Company (including a take-over bid being made to the shareholders generally), all outstanding Awards may become exercisable, notwithstanding the vesting terms (but subject to performance criteria being met), subject to regulatory approval.
- (k) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan.

Unless the Board determines otherwise, the LTIP provides that Stock Options will vest as to one-third following each of the first, second and third anniversaries of the date of such grant.

The exercise price of any Stock Option shall be fixed by the Board when such option is granted, but shall be no less than the three-day volume weighted average trading price of the Shares on the NEO Exchange on the day prior to the date of grant.

A Stock Option shall be exercisable during a period established by the Board, which shall commence on the date of the grant and shall terminate no later than ten years after the date of granting the option, or such shorter period of time as the Board may determine. The LTIP provides that the exercise period shall automatically be extended if the date on which such option is scheduled to terminate shall fall during a black-out period. In such cases, the extended exercise period shall terminate ten business days following the last day of the blackout-period.

With respect to RSUs, unless otherwise approved by the Board and except as otherwise provided in a participant's grant agreement or any other provision of the LTIP, RSUs will vest as to one-third each on the first, second and third anniversary date of their grant. With respect to PSUs, unless otherwise approved by the Board and except as otherwise provided in a Participant's grant agreement or any other provision of the LTIP, PSUs will vest subject to performance and time vesting.

The following table describes the impact of certain events upon the rights of holders of Awards under the LTIP, including termination for cause, resignation, termination other than for cause, retirement and death, subject to the terms of a Participant’s employment agreement:

Event Provisions	Provisions
Termination for cause	Immediate forfeiture of all vested and unvested Awards.
Resignation	Forfeiture of all unvested Awards and the earlier of the original expiry date and 90 days after resignation, or such longer period as the Board may determine in its sole discretion.
Termination other than for cause	Subject to the terms of the grant or as determined by the Board, upon a Participant’s termination without cause, the number of Awards that may vest is subject to pro- ration over the applicable performance or vesting period.
Retirement	Upon the retirement of a Participant’s employment with the Company, any unvested Awards held as at the retirement date will continue to vest in accordance with its vesting schedule, and all vested Awards held at the retirement date may be exercised until the earlier of the expiry date of the Awards or one year following the retirement date; provided that, if the Participant breaches any post-employment restrictive covenants in favor of the Company (including non-competition or non-solicitation covenants), then any Awards held by such Participant, whether vested or unvested, will immediately expire.
Death	All unvested Awards will vest and may be exercised within 180 days after death.

In connection with a change of control of the Company, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity; provided that the Board may accelerate the vesting of Awards if: (i) the required steps to cause the conversion or exchange or replacement of Awards are impossible or impracticable to take or are not being taken by the parties required to take such steps; or (ii) the Company has entered into an agreement which, if completed, would result in a change of control and the counterparty or counterparties to such agreement require that all outstanding Awards be exercised immediately before the effective time of such transaction or terminated on or after the effective time of such transaction. If a Participant is terminated without cause or resigns for good reason during the 12-month period following a change of control, or after the Company has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Awards will immediately vest and may be exercised within 30 days of such date.

The Board may, in its sole discretion, suspend or terminate the LTIP at any time, or from time to time, amend, revise or discontinue the terms and conditions of the LTIP or of any Award granted under the LTIP and any grant agreement relating thereto, subject to any required regulatory and NEO Exchange approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP or as required by applicable laws.

The Board may amend the LTIP or any Award at any time without the consent of a participant; provided that such amendment shall (i) not adversely alter or impair any Award previously granted, except as permitted by the terms of the LTIP, (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the NEO Exchange, and (iii) be subject to shareholder approval, where required by law, the requirements of the NEO Exchange or the LTIP; provided, however, that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:

- amendments of a general housekeeping or clerical nature that, among others, clarify, correct or rectify any ambiguity, inconsistency, defective provision, error or omission in the LTIP;



- changes that alter, extend or accelerate the terms of exercise, vesting or settlement applicable to any Award (subject to NEO Exchange prior approval if in respect of Stock Options granted to persons who provide investor relations activities);
- a change to the assignability provisions under the LTIP;
- any amendment regarding the effect of termination of a participant’s employment or engagement;
- any amendment to add or amend provisions relating to the granting of cash-settled Awards, provision of financial assistance or clawbacks;
- any amendment regarding the administration of the LTIP;
- any amendment necessary to comply with applicable law or the requirements of the NEO Exchange or any other regulatory body (provided, however, that the NEO Exchange may require shareholder approval of any such amendments); and
- any other amendment that does not require the approval of the shareholders,

provided that the alteration, amendment or variance does not:

- increase the maximum number of Shares issuable under the LTIP, other than pursuant to the adjustment provisions;
- reduce the exercise price of the Awards;
- introduce non-employee directors as eligible participants on a discretionary basis or increases the existing limits imposed on non-employee director participation;
- remove or exceed the insider participation limit; or
- amend the amendment provisions of the LTIP.

MARKET FOR SECURITIES

Trading Price and Volume

The Company’s Shares previously traded on the TSX-V under the symbol “MNV”. The Shares were subsequently halted from trading and delisted from the TSX-V on May 9, 2017 following the failure of a previous management team to file statements under applicable Canadian securities law – see “General Development of the Business – Three Year History - 2004 – 2019”. As of the date of this AIF, neither the Shares nor the Warrants are presently listed for trading on any stock exchange.

Prior Sales

The Company issued the following securities during Fiscal 2020 and prior to the date of this AIF:

Date of Issuance	Type of Security	Price	Number of Securities <sup>1</sup>	Aggregate Issue Price	Type of Transaction
June 17, 2020	Shares Warrants	\$ 0.05	14,280,000	\$ 714,000	Acquisition <sup>2</sup>
		n/a	14,280,000		
December 16, 2020	Units <sup>3</sup>	\$ 0.05	1,400,000	\$ 70,000	Private Placement
December 22, 2020	Units <sup>4</sup>	\$ 0.05	3,450,000	\$ 172,500	Private Placement
January 27, 2021	Units <sup>5</sup>	\$ 0.25	14,670,000	\$ 3,667,500	Private Placement
March 11, 2021	Units <sup>6</sup>	\$ 0.75	43,299,268	\$32,474,451	Private Placement
April 9, 2021	Units <sup>7</sup>	\$ 0.75	333,333	\$ 0	Payment for Services
May 12, 2021	Shares	\$ 1.00	11,611,000	\$11,611,000	Private Placement
May 12, 2021	Shares	\$ 0.125	8,900,000	\$ 1,112,500	Warrants exercised

<b>Date of Issuance</b>	<b>Type of Security</b>	<b>Price</b>	<b>Number of Securities<sup>1</sup></b>	<b>Aggregate Issue Price</b>	<b>Type of Transaction</b>
May 27, 2021	Shares	\$ 0.125	4,380,000	\$ 547,500	Warrants exercised
June 2, 2021	Shares <sup>8</sup>	\$ 1.00	165,000	\$ 0	Payment for Services
June 11, 2021	Shares	\$ 0.125	100,000	\$ 12,500	Warrants exercised
June 16, 2021	Shares	\$ 0.125	50,000	\$ 6,250	Warrants exercised
June 30, 2021	Shares	\$ 0.125	10,000	\$ 1,250	Warrants exercised
June 30, 2021	Shares	\$ 0.75	20,000	\$ 15,000	Warrants exercised

**Notes:**

- (1) All figures are on a post-Consolidation basis.
- (2) Issued pursuant to the Amalgamation.
- (3) Each Unit consisted of one Share and one Warrant to acquire a Share at \$0.125 per Share until December 16, 2025.
- (4) Each Unit consisted of one Share and one Warrant to acquire a Share at \$0.125 per Share until December 22, 2025.
- (5) Each Unit consisted of one Share and one Warrant to acquire a Share at \$0.75 per Share until January 27, 2026.
- (6) Each Unit consisted of one Share and one Warrant to acquire a Share at \$1.50 per Share until March 2, 2026.
- (7) In exchange for services, the Company issued 333,333 Units. Each Unit is comprised of one Share and one Warrant, with each Warrant exercisable at \$1.50 until March 2, 2026.
- (8) In exchange for services, the Company issued 165,000 Shares.

Other than as disclosed herein, the issuances of Shares, Warrants and Units listed above represent the only issuances of such securities of the Company since the Shares were halted from trading on the TSX-V on May 9, 2017.

**ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER**

None of the Company's outstanding securities are subject to escrow or any other contractual restriction on transfer.

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 by-laws of the Company.

<b>Name and Jurisdiction of Residence</b>	<b>Position</b>	<b>Principal Occupation for Past Five Years</b>	<b>Director Since</b>
<b>Maurice Swan</b> <sup>1,2,3</sup> <i>Ontario, Canada</i>	Director	Lawyer and General Counsel of Superior Gold Inc.; Until July 2019, a corporate partner at Stikeman Elliott LLP	Jan. 27, 2021
<b>R. Marc Bustin</b> <sup>1,2</sup> <i>British Columbia, Canada</i>	Director	Professor of Geology at the University of British Columbia, President of RMB Earth Science Consultants, and Chief Technical Officer for Renewable Geo Resources Ltd.	April 11, 2021
<b>Saurabh Handa</b> <sup>1,3</sup> <i>British Columbia, Canada</i>	Director	CFO of Metalla Royalty & Streaming Ltd. and 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	April 11, 2021
<b>Andy Tester</b> <sup>2,3</sup> <i>Oregon, U.S.A.</i>	Director	Naturalist and labor advocate, primarily in the Pacific Northwest and Alaska	Jan. 27, 2021
<b>Jeanne Usonis</b> <i>California, U.S.A</i>	Director	Director at Regent Advisors LLC	April 11, 2021
<b>Justin Cochrane</b> <i>Ontario, Canada</i>	Director, President, & CEO	President and CEO of the Company since January 2021. President and CEO of Nickel 28 Capital Corp.; formerly the President & COO of Cobalt 27 Capital Corp.; formerly the Executive Vice President and Head of Corporate Development for Sandstorm Gold Ltd.; spent nine years in investment banking and equity capital markets with National Bank Financial	June 29, 2021
<b>Conor Kearns</b> <i>Ontario, Canada</i>	CFO	CFO of the Company since January 2021. CFO of Nickel 28 Capital Corp.; formerly Vice President of Finance of Cobalt 27 Capital Corp.; formerly CFO of EFT Canada Inc.	N/A
<b>Michael Psihogios</b> <i>Ontario, Canada</i>	Chief Investment Officer	Joined the Company in May 2021. Until May 2021, CFO of DUMAS Contracting Ltd.	N/A
<b>Anne Walters</b> <i>Ontario, Canada</i>	General Counsel & Corporate Secretary	Joined the Company in June 2021. From March 2017 until June 2021, Head of Legal, Canada for Frontera Energy Corporation; former lawyer at Stikeman Elliott LLP	N/A

Notes:

- (1) Member of the Audit Committee of the Board.
- (2) Member of the Corporate Governance, Nominating & Sustainability Committee of the Board.
- (3) Member of the Compensation Committee of the Board.

Experience

A description of the principal occupation for the past five years and summary of the experience of the directors and officers of the Company is as follows:

Maurice Swan, Director

Mr. Swan is a lawyer and is General Counsel of Superior Gold Inc. Previously, he was a partner at Stikeman Elliott LLP. Mr. Swan practiced corporate law at Stikeman Elliott LLP for over 24 years with wide ranging experience, including extensive work in debt capital markets, securitization, corporate finance, and mergers and acquisitions, and with a particular focus on transactions in the global mining and metals sector. Mr. Swan is currently a board member of Nickel 28 Capital Corp. Mr. Swan earned leading lawyer accolades from publications including Lexpert, International Finance & Law Review, Who’s Who Legal and Best Lawyers. Mr. Swan holds a B.A. from York University and an L.L.B. from Osgoode Hall Law School and is a member of the Ontario Bar.



*R. Marc Bustin, Director*

Dr. Bustin is Professor of Geology at the University of British Columbia, President of RMB Earth Science Consultants, and Chief Technical Officer for Renewable Geo Resources Ltd. Dr. Bustin has over 40 years' experience as a researcher, consultant and officer in companies engaged in the fields of carbon capture and storage, mineral and fossil fuel exploitation, and renewable and alternate energy resource development. Dr. Bustin has served as a director, officer and technical advisor for a variety of large and small companies in Europe, Africa, North America, South America, Australia, New Zealand and Asia. 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.

*Saurabh Handa, Director*

Mr. Handa is currently the Chief Financial Officer for Metalla Royalty & Streaming Ltd., a TSX-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.

*Andy Tester, Director*

Mr. Tester is a naturalist and labor advocate. Over the past 20 years, he has spent the majority of his time in the Pacific Northwest and Alaska working to raise awareness on the plight of endangered salmon and steelhead runs, through guiding and other efforts to bring people to the outdoors. He is a member of the International Longshore & Warehouse Union. Mr. Tester holds a B.A. from Eastern Oregon University.

*Jeanne Usonis, Director*

Ms. Usonis has over 20 years of corporate finance and capital markets experience. She is a Director at Regent Advisors LLC, which provides advisory services for equity and debt financings, mergers and acquisitions and joint ventures. She has advised on several initial public offerings and reverse takeover transactions on Canadian and London stock exchanges. Previously, she worked at N M Rothschild & Sons (Washington) LLC where she assisted in the structuring and financing of natural resource projects in emerging market countries. Prior thereto, she worked at Salomon Smith Barney, responsible for structuring taxable and tax-exempt financings. Ms. Usonis graduated summa cum laude with a B.S. in Finance from Villanova University.

*Justin Cochrane, Director, President & CEO*

Mr. Cochrane has 20 years of royalty and stream financing, M&A and corporate finance experience. His streaming and royalty expertise includes acting as President and CEO of Nickel 28 Capital Corp. and formerly the President & COO of Cobalt 27 Capital Corp. Both companies focused on streaming and royalty agreements on battery metals. Cobalt 27 raised over \$1 billion in equity and debt prior to its sale to Pala Investments Limited in 2019.

Prior to Cobalt 27, Mr. Cochrane served as the Executive Vice President and Head of Corporate Development for Sandstorm Gold Ltd. His expertise is in the structuring, negotiation, execution and funding of royalty and stream financing contracts around the world, totaling over \$2 billion across 50+ projects. Prior to Sandstorm, he spent nine years in investment banking and equity capital markets with National Bank Financial where he covered the resource, clean tech and energy technology sectors. In addition, Mr. Cochrane is currently a board member of Nickel 28 Capital Corp. and Nevada Copper Corp. and an investment committee member of Duke Royalty Limited. Mr. Cochrane is a CFA Charterholder.

*Conor Kearns, CFO*

Mr. Kearns has nearly two decades of accounting, auditing, finance and tax structuring experience providing advisory services to a wide array of businesses, with a recent focus on streaming and royalty businesses. Most recently serving as the CFO of Nickel 28 Capital Corp., a base metals streaming and royalty company, and prior to that as Vice President of Finance of Cobalt 27 Capital Corp., an electric metals streaming and royalty company. Prior to joining Cobalt 27, Mr. Kearns was the Chief Financial Officer of EFT Canada Inc., a fintech company which provides advanced electronic payment services and tools for businesses.

*Michael Psihogios, Chief Investment Officer*

Mr. Psihogios has over fifteen years of financing, M&A, and corporate finance experience. He has extensive expertise in sourcing, structuring, due diligence, and negotiating both financing and M&A transactions from corporate and private equity perspectives across multiple industries throughout Europe, Africa, the Americas, and Australasia.

Most recently, Mr. Psihogios was the Chief Financial Officer of DUMAS, a specialized construction and engineering firm. Prior to DUMAS, he worked with an international private equity fund on numerous executive and corporate development secondment roles within portfolio companies, involved in raising capital and the ultimate sale of each business. Prior to a career in private equity, he worked in investment banking with National Bank Financial in the M&A group.

Mr. Psihogios holds an M.B.A. from the University of Toronto and the University of St. Gallen (Switzerland).

*Anne Walters, General Counsel & Corporate Secretary*

Ms. Walters is a lawyer with nearly twenty years of experience in the Canadian corporate sector. Prior to joining the Company, she worked in-house, as the head of the Canadian legal team at Frontera Energy Corporation, a TSX listed energy company with South American operations. Prior to that, she practiced law at Stikeman Elliott LLP, working in the areas of corporate finance and M&A.

Ms. Walters holds a JD from the University of Toronto, an M.B.A. from the University of Toronto, and a B.A. from McGill University. She is also a member of the Ontario Bar.

## ***Advisory Board***

The Company engages advisors to assist in the areas of carbon markets, forest management and development, carbon offset projects, marketing, corporate governance and the like. The initial advisors engaged are:

### ***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.

### ***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.

### ***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.

### *Mike Harcourt*

Mr. Harcourt served as Premier of British Columbia 1991-96 and City Councillor 1972-1980, prior to that mayor of Vancouver, 1981-86. Mr. Harcourt helped the province earn its reputation as one of the most liveable places in the world. After stepping down from politics, he was appointed by the Prime Minister to serve as a member of the National Round Table on the Environment and Economy, 1996-2004. There, Mr. Harcourt served on the Executive Committee and Chaired the Urban Sustainability Program. He was also a federally appointed BC Treaty Commissioner 2003-2007 and was appointed Chair of the Prime Minister's Advisory Committee for Cities and Communities mandated to examine the future of Canada's cities and communities in 2003.

Mr. Harcourt was the lead faculty of United Way's Public Policy Institute, 2009 – 2021 and was on the Advisory Board of Canada's ECOFISCAL Commission. As well, he Chaired Age-Well to improve the quality of life for aging Canadians. He currently dedicates his time to numerous initiatives such as sustainability education, Aboriginal economic development, and promoting healthy living. He co-chairs Dogwood 25, a collaborative which supports the academic success of Aboriginal students.

### ***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 4,726,666 Shares, which represented approximately 4.57% of the Company's issued and outstanding Shares. The statement as to the number of 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 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:

- (a) 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;



- (b) 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;
- (c) 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
- (d) 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. (“**Banks Island**”) from June 7, 2011 to July 28, 2015. On January 8, 2016, Banks Island 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.

For a description of certain historical CTOs in respect of the Company prior to commencement of its current business and operations, see “*General Development of the Business – Three Year History – 2004 – 2019*” and “*General Development of the Business – Three Year History – 2020*”.

### **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), Maurice Swan and R. Marc Bustin.

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, Swan and Bustin is 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-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.

*Maurice Swan.* Mr. Swan is a lawyer and is General Counsel of Superior Gold Inc. Previously, he was a partner at Stikeman Elliott LLP. Mr. Swan practiced corporate law at Stikeman Elliott LLP for over 24 years with wide ranging experience, including extensive work in debt capital markets, securitization, corporate finance, and mergers and acquisitions, and with a particular focus on transactions in the global mining and metals sector. Mr. Swan is currently a board member of Nickel 28 Capital Corp. Mr. Swan earned leading lawyer accolades from publications including Lexpert, International Finance & Law Review, Who’s Who Legal and Best Lawyers. Mr. Swan holds a B.A. from York University and an L.L.B. from Osgoode Hall Law School and is a member of the Ontario Bar.

*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. Leveson memorial award from the AAPG, the Thieson 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.

*Audit Committee Oversight*

At no time since the commencement of the Company’s most recent 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:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>1</sup></b>	<b>Audit Related Fees<sup>2</sup></b>	<b>Tax Fees<sup>3</sup></b>	<b>All Other Fees<sup>4</sup></b>
June 30, 2020	\$ 10,000	nil	nil	nil
June 30, 2019	\$ 6,000	nil	nil	nil

Notes:

1. Baker Tilly WM LLP became auditor of the Company effective July 8, 2020. Audit fees prior to such time were paid to the Company’s former auditor, Dale Matheson Carr-Hilton Labonte LLP.
2. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “Audit Fees”.
3. Fees charged for tax compliance, tax advice and tax planning services.
4. Fees for services other than disclosed in any other column.

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.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and senior officers of the Company, as at the date of this AIF, the only persons, firms or corporations that beneficially owns, controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights of the Shares of the Company are as follows:

Name	Number of Shares <sup>(1)(2)</sup>	Percentage <sup>(2)</sup>
Osisko Gold Royalties Ltd	6,750,000 Shares	11.66%

Notes:

- (1) The information as to shares owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information.
- (2) On a partially diluted basis on shares outstanding as of the date of this AIF. Osisko has beneficial ownership of, or control or direction over, an aggregate of 6,750,000 Shares and 6,000,000 Warrants, representing 6.53% of the issued and outstanding Shares on a non-fully diluted basis and 11.66% of the issued and outstanding Shares on a partially diluted basis assuming exercise of such Warrants.

PROMOTERS

Justin Cochrane, President and CEO, can be considered a promoter of the Company in that he took the initiative to restructure the Company to become a company involved in the carbon credits markets, and to arrange for new management and financing. As of the date of this AIF, Mr. Cochrane holds an aggregate of 1,235,000 Shares (representing approximately 1.19% of the Company’s current issued and outstanding Shares), 1,235,000 Warrants, 500,000 Options and 500,000 RSUs. Mr. Cochrane will be entitled to receive US\$180,000 per annum in management salary for acting as the President and CEO of the Company. For more information concerning Mr. Cochrane, see “*Directors and Officers*”.

## **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 our 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 AND INDEBTEDNESS**

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 Shares; and
- (c) any associate or affiliate of any of the foregoing persons.

No informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, 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 2020.

The Company is not aware of any individuals who are either current or former executive officers, directors or employees of the Company and who have indebtedness outstanding as at the date hereof (whether entered into in connection with the purchase of securities of the Company or otherwise) that is owing to: (i) the Company, or (ii) another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

## **TRANSFER AGENT AND REGISTRAR**

The Company's registrar and transfer agent is Odyssey Trust Company with its office at Suite 323 – 409 Granville Street, Vancouver, British Columbia.

## **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.

## **CORPORATE GOVERNANCE AND EXECUTIVE COMPENSATION DISCLOSURE**

For additional information in respect of the Company's corporate governance practices and executive compensation matters, please see Appendix "B".

## **INTERESTS OF EXPERTS**

The Company's auditor is Baker Tilly WM LLP, Chartered Professional Accountants, Suite 900 – 400 Burrard Street, Vancouver, BC V6C 3B7. Baker Tilly WM LLP is independent from the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The Company's former auditor was Dale Matheson Carr-Hilton Labonte LLP of Vancouver, British Columbia (replaced July 8, 2020).

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's Shares and Shares authorized for issuance under the Company's equity compensation plan is contained in the Company's management information circular dated May 28, 2021 prepared and filed in connection with the Company's annual and special meeting of shareholders which was held on June 29, 2021.

Additional financial information is provided in the Company's financial statements and MD&A for its most recently audited financial year ended June 30, 2020, and subsequent interim financial statements for the three and nine months ended March 31, 2021, together with the MD&A related thereto.

## GLOSSARY OF CERTAIN TERMS

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

“**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 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 Shares 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.

“**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.

“**Audit Committee**” means the audit committee of the Board.

“**Awards**” means, collectively, Stock Options, RSUs and PSUs.

“**Banks Island**” means Banks Island Gold Ltd.

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

“**BCI Term Sheet**” means the exclusive term sheet with BCI to provide initial funding for BCI to develop two carbon credit projects within the Bonobo Peace Forest located in the DRC.

“**BCI**” means the Bonobo Conversation Initiative.

“**BPF**” means the Bonobo Peace Forest, a network of community-managed protected areas that spans 5,258,700 hectares in the DRC.

“**Board**” or “**Board of Directors**” means the Company’s board of directors, as constituted from time to time.

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

“**Carbon Streaming**” or the “**Company**” means Carbon Streaming Corporation.

“**CCB Standard**” means the Climate, Community and Biodiversity Standard.

“**CCUS**” means carbon capture, usage and storage technologies.

“**CDP**” means CDP Worldwide.

“**CEO**” means chief executive officer.

“**CFO**” means chief financial officer.

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

“**CO<sub>2</sub>**” means carbon dioxide.

“**CO<sub>2</sub>e**” means carbon dioxide equivalent, the base reference for the determination of the global warming potential of greenhouse gases in units of CO<sub>2</sub>.

“**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.

“**Compenstaion Committee**” means the compensation committee of the Board.

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

“**Consolidation**” means the consolidation of the Company’s share capital of one Share for every 100 pre- consolidation common shares, that became effective on June 15, 2020.

“**Corporate Governance, Nominations and Sustainability Committee**” means the corporate governance, nominations and sustainability committee of the Board.

“**CORSIA**” means Carbon Offsetting and Reduction Scheme for International Aviation.

“**COVID-19**” means the novel Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

“**CTO**” means Cease Trade Order.

“**DRC**” means the Democratic Republic of Congo.

“**EPA**” means the United States Environmental Protection Agency. “**ESG**” means Environmental, Social, and Governance.

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

“**EU ETS**” means EU Emissions Trading Scheme. “**FCPA**” means the U.S. Foreign Corrupt Practices Act.

“**Fiscal 2020**” means the Company’s fiscal year ended June 30, 2020.

“**Fiscal 2021**” means the Company’s fiscal year ended June 30, 2021.

“**Fundco**” means 1247372 B.C. Ltd.

“**GHG**” means greenhouse gas.

“**Governance Disclosure Rule**” means National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

“**Governance Guidelines**” means National Policy 58-201 - *Corporate Governance Guidelines*.

“**GtCO<sub>2</sub>**” means one billion tonnes of carbon dioxide

“**IEA**” means the International Energy Agency.

“**Investor’s Rights Agreement**” means an investor rights agreement dated February 18, 2021 which governs various aspects of the relationship between Osisko and the Company.

“**IPCC**” Intergovernmental Panel on Climate Change).

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

“**Kyoto Protocol**” means the international treaty on climate change that was adopted on December 11, 1997.

“**LTIP**” means the Company’s omnibus long-term incentive plan.

“**Mandate**” means the written mandate of the Board.

“**March 2021 Private Placement**” means the non-brokered private placement completed by the Company on March 11, 2021 for aggregate proceeds of \$32,474,451 through the sale of 43,299,268 Units at \$0.75 per Unit (each Unit consisting of one Share and one Warrant exercisable at \$1.50 per Share until March 2, 2026).

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

“**MD&A**” means management discussion and analysis, as it relates to the Company’s financial statements.

“**MtCO<sub>2</sub>e**” means million tonnes of carbon dioxide equivalent.

“**NEO Exchange**” means Neo Exchange Inc. “**NEO**” means Named Executive Officers.

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

“**NI 52-110**” means National Instrument 52-110 - *Audit Committees*. “**Osisko**” means Osisko Gold Royalties Ltd.

“**Paris Agreement**” means the international treaty on climate change that was adopted on December 12, 2015.

“**Participants**” means, with respect to the LTIP, eligible directors, officers, employees and consultants.

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

“**REDD**” means the framework of the Reducing Emissions from Deforestation and forest Degradation, a framework developed by the United Nations Framework Convention on Climate Change.



“**RSU**” means restricted share units of the Company issued pursuant to and governed by the Company’s LTIP; each RSU typically entitling the recipient to acquire 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).

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval, found at [www.sedar.com](http://www.sedar.com).

“**Shareholders**” means holders of Shares.

“**Shares**” means the common shares without par value in the capital of the Company (expressed in this AIF on a post-Consolidation basis).

“**Stock Options**” means stock options granted under the LTIP to acquire Shares.

“**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.

“**TCFD**” means the Financial Stability Board’s Task Force on Climate-related Financial Disclosures.

“**tCO<sub>2</sub>**” means one tonne of carbon dioxide.

“**tCO<sub>2</sub>e**” means one tonne of carbon dioxide equivalent.

“**Units**” means units consisting of, in each case, one Common Share and one Warrant, and includes, for the avoidance of doubt, the Units issued December 16, 2020, December 22, 2020, January 27, 2021 and March 11, 2021.

“**TSX-V**” means the TSX Venture Exchange.

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

“**VCS**” means Verified Carbon Standard, which is administered by Verra, an international institution based in Washington D.C. that manages carbon offset standards.

“**Warrants**” means common share purchase warrants of the Company entitling the holder thereof to acquire on exercise one Share.

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

**APPENDIX “A”  
AUDIT COMMITTEE CHARTER**



**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 Corporatio

**APPENDIX “B”**  
**SUPPLEMENTAL EXECUTIVE COMPENSATION AND CORPORATE GOVERNANCE DISCLOSURE**  
**EXECUTIVE COMPENSATION**

**Introduction**

The following discussion describes the significant elements of the compensation program for the named executive officers (“NEOs”) of the Company. The NEOs for Fiscal 2021 are:

- Justin Cochrane, *President and Chief Executive Officer*;
- Conor Kearns, *Chief Financial Officer*;
- Michael Psihogios, *Chief Investment Officer*; and
- Anne Walters, *General Counsel and Corporate Secretary*.

Given that the Company was unlisted and did not carry on any active business during Fiscal 2020, the Board did not have a Compensation Committee nor did the Board have a formal process with respect to director and NEO compensation; rather, the Board and its committees conducted its activities by way of consent resolution under applicable corporate law. For additional information with respect to the historical executive compensation paid by the Company during such periods, please see the Company’s Management Information Circular dated May 28, 2021 under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The following compensation discussion and analysis provides an overview of the process pursuant to which the Board and the Compensation Committee currently determines director and NEO compensation.

**Overview and Philosophy**

The Company’s long-term corporate strategy is central to all of the Company’s business decisions, including around executive compensation. The Company’s compensation programs are designed to attract, motivate and retain high caliber executives and align their interests with sustainable profitability and growth of the Company over the long-term in a manner which is fair and reasonable to the shareholders. The Compensation Committee has been established by the Board to assist the Board in fulfilling its responsibilities relating to compensation matters, including the evaluation and approval of the Company’s compensation plans, policies and programs. The Compensation Committee ensures that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance by executive officers and other members of senior management in a manner that will enhance the sustainable profitability and growth of the Company.



## **Principal Elements of Compensation**

The Company's current compensation policies and programs for executive officers consists of a base salary/compensation, cash bonuses, Options and RSUs, and may include other customary employment benefits. As a general rule for establishing compensation for NEOs and executive officers, the Board considers the executive's performance, experience and position within the Company and the recommendations of the CEO, or in the case of the CEO, the recommendation of the Chair of the Board. The Compensation Committee uses its discretion to recommend compensation for executive officers at levels warranted by external, internal and individual circumstances. Compensation of executive officers of the Company is reviewed on an annual basis and relies on, among other things, discussion of formal and informal objectives, as well as criteria, analysis and recommendations of external advisors and consultants. Options and RSUs are expected to be granted pursuant to the LTIP at the discretion of the Compensation Committee. Options and RSUs granted pursuant to the LTIP will generally vest in equal amounts over three-year periods or as otherwise determined by the Compensation Committee.

In the course of its deliberations, the Board considers the implications of the risks associated with adopting the compensation practices in place from time to time and detect actions of management and employees of the Company that would constitute or lead to inappropriate or excessive risks. Pursuant to the Company's Insider Trading Policy, directors and executive officers are prohibited from purchasing financial instruments (such as prepaid variable forward contracts, equity swaps or collars) designed to hedge or offset a decrease in the market value of the Company's Shares.

### ***Base Salaries***

The objectives of the base salary are to provide compensation in accordance with market value, and to acknowledge the competencies and skills of individuals. The base salaries paid to the NEOs are reviewed annually by the Compensation Committee as part of the annual review of executive officers. The base salaries paid to the NEOs are not subject to the achievement of any performance criteria. The decision whether to grant an increase to the executive's base salary and the amount of any such increase are in the sole discretion of the Compensation Committee and Board.

### ***Incentive Bonuses***

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. In determining the amounts to be awarded to the NEOs as incentive bonus compensation, the Board and the Compensation Committee give consideration to several objective and subjective factors as they deem appropriate from time to time. While the Board and the Compensation Committee generally review and take into account the compensation of other royalty and streaming companies, no specific peer group is expected to be used to determine the quantum of incentive bonuses, and no specific weight is expected to be assigned to any particular performance criterion or goal. The process of determining the amount to be paid for this element of each NEO's overall compensation is expected to be based on the achievement of certain milestones, all of which are expected to be contemplated in the Company's annual business plan. The achievement of these significant milestones is expected to significantly affect the incentive bonus compensation granted to the NEOs of the Company.

*Security-Based Awards*

The objectives of the LTIP are to (i) increase participants’ interest in the Company’s welfare; (ii) provide incentives for participants to continue their services; (iii) reward participants for their performance of services, and (iv) provide a means through which the Company may attract and retain people to enter its employment. The Board and the Compensation Committee is expected to consider the same factors and criteria as described in the paragraph above (in respect of the cash incentive bonuses awarded to the NEOs of the Company) in determining the amounts to be awarded to the NEOs as security-based incentive bonus compensation. For additional information with respect to the LTIP, see “*Description of Capital Structure- Options, Restricted Share Units and Performance Share Units*”.

**Summary Compensation Table**

The following table sets out information concerning the compensation earned by, paid to, or awarded to, the NEOs in respect of Fiscal 2021<sup>(1)</sup>:

Name and Principal Position	Fiscal Year	Salary (\$) <sup>(2)</sup>	Sharebased Awards (\$) <sup>(3)</sup>	Option-Based Awards (\$) <sup>(4)</sup>	Non-equity Incentive Plan Compensation		Pension Value (\$) <sup>(5)</sup>	All Other Compensation (\$) <sup>(6)</sup>	Total Compensation (\$)
					Annual incentive plan (\$)	Long-term incentive plans (\$)			
Justin Cochrane President & Chief Executive Officer	2021	111,600	500,000	125,000	Nil	Nil	Nil	124,000	860,600
Conor Kearns Chief Financial Officer	2021	93,000	300,000	75,000	Nil	Nil	Nil	12,400	480,400
Michael Psihogios Chief Investment Officer	2021	23,250	500,000	125,000	Nil	Nil	Nil	Nil	648,250
Anne Walters General Counsel & Corporate Secretary	2021	12,500	150,000	Nil	Nil	Nil	Nil	Nil	162,500

Notes:

- (1) All amounts paid in US\$ have been converted into C\$ based on the June 30, 2021 exchange rate: US\$1.00 for every \$1.24.
- (2) Represents the actual base salary paid in Fiscal 2021. Mr. Cochrane, Mr. Kearns, Mr. Psihogios were paid US\$90,000, US\$75,000 and US\$18,750, respectively in Fiscal 2021. The annualized salaries of Mr. Cochrane, Mr. Kearns, Mr. Psihogios and Ms. Walters are US\$180,000, US\$150,000, US\$180,000 and \$180,000, respectively.
- (3) The value of RSUs is calculated using the last private placement price of the Company’s Shares (\$1.00).
- (4) The value of Options is calculated using the last private placement price of the Company’s Shares (\$1.00) less the respective exercise prices of the Options multiplied by the number of Options outstanding.
- (5) The Company does not currently offer a pension plan.
- (6) As per Mr. Cochrane’s employment agreement, he was paid a US\$100,000 one-time payment for past services rendered to the Company. As per Mr. Kearns’ employment agreement, he was paid a US\$10,000 one-time payment for past services rendered to the Company.

As noted above, given that the Company was unlisted and did not carry on any active business during Fiscal 2020, the Board did not have a Compensation Committee nor did the Board have a formal process with respect to director and NEO compensation. For additional information with respect to the historical executive compensation paid by the Company during such periods, please see the Company’s Management Information Circular dated May 28, 2021 under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Employment Agreements, Termination and Change of Control Benefits**

We have written employment agreements with each of our NEOs and each executive is entitled to receive compensation established by us as well as other benefits in accordance with plans available to our most senior employees.

During Fiscal 2021, we entered into an employment agreement with each of Justin Cochrane, Conor Kearns, Michael Psihogios and Anne Walters setting forth the terms and conditions of each of their employment as our Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and General Counsel, respectively. Each employment agreement provides for each of their initial base salary, annualized base salary, bonus payments, expenses, and which includes, among other things, provisions regarding confidentiality, non-competition and non-solicitation, as well as eligibility to participate in our benefit plans. Each NEO’s employment agreement provides that if the NEO’s employment is terminated by us without cause, the NEO will be entitled to have his or her annualized base salary, bonus and benefits continue for two years following termination (one year for Ms. Walters) and all equity or equity-based compensation received shall fully vest. In the event that the NEO’s employment is terminated by us with cause, the NEO will be entitled to have his or her annualized salary and benefits continue until the date on which the NEO ceases to be employed by us.

Each NEO’s employment agreement also provides that if there is a change of control event (as such term is defined in their respective employment agreements) and the NEO is terminated, or the NEO elects to terminate his or her employment agreement following a Change of Control, the NEO will be entitled to have his or her annualized base salary, bonus and benefits continue for two years following termination and all equity or equity-based compensation received shall fully vest.

The table below shows the incremental payments that would be made to each of our NEOs under the terms of their respective employment agreement upon the occurrence of certain events, if such events were to occur immediately following the date of this AIF. The actual amount of the payout upon identified termination events can only be determined at the time of occurrence.

<b>Name and Principal Position</b>	<b>Change of Control Payment (\$) <sup>(1)(2)(3)(4)</sup></b>	<b>Termination without Cause (<sup>(1)(2)(3)(4)</sup>)</b>
Justin Cochrane <i>President &amp; Chief Executive Officer</i>	1,071,400	1,071,400
Conor Kearns <i>Chief Financial Officer</i>	747, 000	747, 000
Michael Psihogios <i>Chief Investment Officer</i>	1,071,400	1,071,400
Anne Walters <i>General Counsel &amp; Corporate Secretary</i>	510,000	330,000

Notes:

- (1) All amounts paid in US\$ have been converted into C\$ based on the June 30, 2021 exchange rate: US\$1.00 for every \$1.24.
- (2) Payments are calculated based on the annualized base salary we pay to our NEOs, which will continue for one or two years (as the case may be) subsequent to the date on which the NEO ceases to be employed by us. The annualized salaries of Mr. Cochrane, Mr. Kearns, Mr. Psihogios and Ms. Walters are US\$180,000, US\$150,000, US\$180,000 and \$180,000, respectively.
- (3) Assumes full vesting of all RSUs and Options. The value of RSUs is calculated using the last private placement price of the Company’s Shares (\$1.00) and the value of Options is calculated using the last private placement price of the Company’s Shares (\$1.00) less the respective exercise prices of the Options multiplied by the number of Options outstanding.
- (4) Benefits available to the NEO will continue for one or two years, as the case may be, subsequent to the date on which the NEO ceases to be employed by us.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth the RSUs and Options granted under the LTIP to each of the NEOs as of the date of this AIF.

Name	Option-based Awards				Share-based Awards		
	Securities Under Options Granted (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(1)</sup> (\$)	Number of shares or Market or payout value Units of shares that have not vested (#)	Market or payout of share-based awards that have not vested <sup>(2)</sup> (\$)	value of vested share-based awards not paid out or distributed (\$)
Justin Cochrane President & CEO	500,000	0.75	Mar 31, 2026	125,000	500,000	500,000	Nil
Conor Kearns CFO	300,000	0.75	Mar 31, 2026	75,000	300,000	300,000	Nil
Michael Psihogios Chief Investment Officer	500,000	0.75	Mar 31, 2026	125,000	500,000	500,000	Nil
Anne Walters General Counsel	150,000	1.00	Jun 7, 2026	Nil	150,000	150,000	Nil

Notes:

- (1) The “value of unexercised in the money Options” is calculated using the last private placement price of the Company’s Shares (\$1.00) less the respective exercise prices of the Options multiplied by the number of Options outstanding.
- (2) The “market or payout value of share-based awards that have not vested” is calculated using the last private placement price of the Company’s Shares (\$1.00).

**Options Exercised and Outstanding – Value Vested or Earned During the Year**

The following table sets out, for each NEO, the expected value of all LTIP awards that vested or were earned during Fiscal 2021, for each of the NEOs:

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Justin Cochrane <i>President &amp; CEO</i>	125,000	Nil	Nil
Conor Kearns <i>CFO</i>	75,000	Nil	Nil

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Michael Psihogios <i>Chief Investment Officer</i>	125,000	Nil	Nil
Anne Walters <i>General Counsel</i>	Nil	Nil	Nil

Notes:

- (1) The “Option-based awards – Value vested during the year” is calculated using the last private placement price of the Company’s Shares (\$1.00) less the respective exercise prices of the Options multiplied by the number of Options outstanding.

DIRECTOR COMPENSATION

General

The following discussion describes the significant elements of the compensation program for members of the Board and its committees. The compensation of our directors is designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of our Shareholders. Directors who are employees of the Company will not be entitled to receive any compensation for his or her service as a director of our Board.

Director Compensation

Our director compensation program is designed to attract and retain global talent to serve on our Board, taking into account the risks and responsibilities of being an effective director. Our objective regarding director compensation is to follow best practices with respect to compensation. We believe that our approach has helped attract, and will continue to help to attract and retain, strong members for our Board who will be able to fulfill their fiduciary responsibilities without competing interests.

Compensation for all non-executive directors is comprised of cash and share-based Awards granted under the LTIP, including RSUs and Options. The total non-executive director retainer for all Board and committee meetings attended by a director, is deemed to be full payment for the role of director. The exception to this approach would be in the event of a merger or acquisition, or other special circumstance that required more meetings than are typically required, in which case a “special” fee may be granted. At this time a retainer premium is not provided to committee chairs.

The fee schedule for the Company’s non-executive directors is as follows:

	Compensation	Share-Based Awards
Board Retainer	US\$36,000	Discretionary

Directors who are employees of the Company will not receive any compensation for serving on the Board; however, all directors will be reimbursed for any out-of-pocket expenses incurred in connection with attending Board or committee meetings.

The following table discloses the compensation paid or payable, directly or indirectly, by or on behalf of the Company during Fiscal 2021 to its directors(1):

<b>Name</b>	<b>Fees Earned</b> <b>(2)(\$)</b>	<b>Share Based Awards</b> <b>(3)</b> <b>(\$)</b>	<b>Option Based Awards</b> <b>(4)</b> <b>(\$)</b>	<b>Non-equity Incentive Plan Compensation</b> <b>(5)</b> <b>(\$)</b>	<b>Pension Value</b> <sup>(6)</sup> <b>(\$)</b>	<b>All Other Compensation</b> <b>(\$)</b>	<b>Total</b> <b>(\$)</b>
Justin Cochrane	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Maurice Swan	18,600	150,000	37,500	N/A	N/A	N/A	206,100
Andy Tester	18,600	50,000	12,500	N/A	N/A	N/A	81,100
Saurabh Handa	11,160	50,000	12,500	N/A	N/A	N/A	73,660
R. Marc Bustin	11,160	50,000	12,500	N/A	N/A	N/A	73,660
Jeanne Usonis	136,400	100,000	25,000	N/A	N/A	N/A	261,400

Notes:

- (1) All amounts paid in US\$ have been converted into C\$ based on the June 30, 2021 exchange rate: US\$1.00 for every \$1.24.
- (2) Represents the actual fees earned in Fiscal 2021. Mr. Swan and Mr. Tester were paid US\$15,000, Mr. Handa and Mr. Bustin were paid US\$9,000 and Ms. Usonis was paid US\$110,000, which includes amounts for consulting fees in Fiscal 2021.
- (3) The value of RSUs is calculated using the last private placement price of the Company's Shares (\$1.00).
- (4) The value of Options is calculated using the last private placement price of the Company's Shares (\$1.00) less the respective exercise prices of the Options multiplied by the number of Options outstanding.
- (5) Directors do not receive any non-equity incentive plan compensation.
- (6) Directors do not receive pension benefits.

As noted above, given that the Company was unlisted and did not carry on any active business during Fiscal 2020, the Board did not have a Compensation Committee nor did the Board have a formal process with respect to director and NEO compensation. For additional information with respect to the historical executive compensation paid by the Company during such periods, please see the Company's Management Information Circular dated May 28, 2021 under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## CORPORATE GOVERNANCE

### Corporate Governance Overview

Given that the Company was unlisted and did not carry on any active business during Fiscal 2020, the Board did not have any formal policies with respect to corporate governance matters; rather, the Board and its committees conducted its activities by way of consent resolution under applicable corporate law.

The following overview of the Company's corporate governance policies for periods subsequent to the financial year ended June 30, 2020 has been prepared in accordance with the requirements of both National Policy 58-201 - *Corporate Governance Guidelines* (the "**Governance Guidelines**") and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (the "**Governance Disclosure Rule**"). The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of Board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its security holders for the purpose of electing Directors, specified disclosure of its corporate governance practices must be included in its management information circular.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its responsibilities directly and through its sub-committees at regularly scheduled meetings or as required. The Board meets at least once every quarter to review the Company's business operations, corporate governance matters, financial results and other items. The frequency of meetings may be increased, and the nature of the agenda items may be changed, depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The Directors are kept informed of the Company's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

**Board of Directors**

***Role of the Board***

The duties and responsibilities of the Board are to supervise the management of the business and affairs of the Company and to act with a view towards the best interests of the Company. The Board is responsible for the oversight and review of the development of, among other things, the following matters:

- the strategic planning process of the Company;
- an annual strategic plan for the Company which takes into consideration, among other things, the risks and opportunities of the Company’s business;
- identifying the principal risks of the Company’s business and ensuring the implementation of appropriate systems to manage these risks;
- annual capital and operating budgets which support the Company’s ability to meet its strategic objectives;
- material acquisitions and divestitures;
- succession planning, including appointing, training and monitoring the development of senior management;
- establish process for the Company to facilitate communications with investors and other interested parties;
- a reporting system which accurately measures the Company’s performance against its business plan; and
- the integrity of the Company’s internal control and management information systems.

The operations of the Company do not support a large Board and the Board has determined that the constitution of the Board is appropriate for the Company’s current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members.

***Independence of the Board***

The Board is currently composed of six Directors: Maurice Swan, Justin Cochrane, R. Marc Bustin, Saurabh Handa, Andy Tester and Jeanne Usonis. The Board facilitates its exercise of independent supervision over management by ensuring sufficient representation by Directors independent of management.



The Governance Guidelines suggest that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest, business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. The independent Directors may meet separately from the non-independent Directors, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent Directors. Maurice Swan, an independent Director, is the Chair of the Board. Given the relative size of the Company’s activities, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management. Kindly refer to the below independence chart in respect of the Board:

Director/Nominee	Independent	Reason, if not independent
Maurice Swan	Yes	N/A
R. Marc Bustin	Yes	N/A
Justin Cochrane	No	President and CEO of the Company
Saurabh Handa	Yes	N/A
Andy Tester	Yes	N/A
Jeanne Usonis	No	Provides consulting services to the Company

The Board has considered the relationships of each of the Directors to the Company and determined that four of the six members of the current Board qualify as independent Directors. The Board reviews independence in light of the requirements of the Governance Guidelines and the Governance Disclosure Rule. None of the independent Directors has a material relationship with the Company which could impact their ability to make independent decisions.

Given that the Company was unlisted and did not carry on any active business, the Board and its committees did not have any formal meetings during Fiscal 2020; rather, the Board and its committees conducted its activities by way of consent resolution under applicable corporate law. In all subsequent periods, the independent Directors will be afforded opportunities to hold formal and informal in camera session, during which sessions non-independent Directors/members of management are excused. The Board will also excuse members of management and conflicted Directors from all or a portion of any such meeting(s) where a conflict or potential conflict of interest arises or where otherwise deemed appropriate.

**Board Mandate**

The Board, either directly or through its committees, is responsible for the supervision of management of the Company’s business and affairs with the objective of enhancing Shareholder value. In order to facilitate the exercise of independent judgment in carrying out the Board’s responsibilities, the Board has adopted a written mandate (the “**Mandate**”) that sets forth in detail the responsibilities and obligations of the Board. The mandate is reviewed at least annually and updated as necessary. The Mandate is attached hereto as Appendix “C” and is also available on the Corporation’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com).

### ***Position Descriptions***

The Board has adopted written position descriptions for the Chair and for the chair of each of the Board's committees with respect to the conduct of meetings of the Board and meetings of its committees. The Chair and committee chair's role and responsibilities in each instance include reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The Board has adopted a written position description for the CEO. The CEO's general roles and responsibilities are commensurate with the position of CEO of a company comparable in business and size to the Company including overseeing all operations of the Company, and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

### ***Participation of Directors in Other Reporting Issuers***

The Corporate Governance, Nominating and Sustainability Committee will review and assess, on a regular basis, the number of outside directorships and executive positions held by the Company's Directors and will consider whether each Director in question will be reasonably able to meet his/her duties in light of the responsibilities associated with fulfilling his/her duties as a Director of the Company as well as whether conflicts of interest will arise on as a result of any outside directorships or outside executive positions. Having regard to their qualifications, attendance record and valuable contribution as members of the Company's Board/committees, the Board has determined that none of the Directors are over boarded as a result of their outside directorships.

### ***Orientation and Continuing Education***

The Corporate Governance, Nominating and Sustainability Committee is responsible for the orientation and continuing education of the members of the Board. As new Directors join the Board, they are provided with, among other things, corporate policies, historical information about the Company, information on the Company's performance and its strategic plan and an outline of the general duties and responsibilities entailed in carrying out their duties.

The Company encourages Directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each Director of the Company has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a Director.

### ***Ethical Business Conduct***

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. In connection with its commitment to ensuring the ethical operation of the Company, the Board has adopted a code of business conduct and ethics (the "**Code**"), a copy of which is available under the Company's profile at [www.sedar.com](http://www.sedar.com) and on the Company's website. Any reports of variance from the Code are to be reported to the Board and/or Audit Committee.

The Board will monitor compliance with the Code through reports of management to the Audit Committee and requires that all Directors, officers and designated employees provide an annual certification of compliance with the code. A Director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the Director becomes aware of it. In situations where a Director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such Director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the BCBCA regarding conflicts of interest.

The Board has also adopted a whistleblower policy to provide employees, clients and contractors with the ability to report, on a confidential and anonymous basis, any violation within the Company including (but not limited to), criminal conduct, falsification of financial records or unethical conduct. The Board believes that providing a forum for employees, clients, contractors, officers and Directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.

### ***Board Assessments***

To date, a formal process of assessing the Board and its committees, or the independent Directors has not been implemented, and the Board has satisfied itself that the Board, its committees and individual Directors are performing effectively through informal discussions. The Corporate Governance, Nominating and Sustainability Committee continues to review proposed procedures to evaluate the performance and effectiveness of the Board, its committees and the contributions of individual Directors.

The Corporate Governance, Nominating and Sustainability Committee will also take reasonable steps to evaluate and assess, on an annual basis, Directors' performance and the effectiveness of the Board, its committees, the individual Directors, the Chair and the committee chairs. The assessment will address, among other things, individual Director independence, individual Director and overall Board skills and individual Director financial literacy. The Board will continue to receive and consider the recommendations from the Corporate Governance and Nominating Committee regarding the results of such evaluations.

### ***Majority Voting Policy***

The Company has adopted a majority voting policy which requires that any nominee for Director who receives a greater number of votes withheld than for his or her election shall tender his or her resignation to the chair of the Board following the meeting of shareholders at which the Directors were elected. This policy only applies to uncontested elections, meaning elections where the number of nominees for Director is equal to the number of Directors being elected. The Corporate Governance, Nominating and Sustainability Committee and the Board shall consider the resignation, and whether or not it should be accepted. In doing so, the Corporate Governance, Nominating and Sustainability Committee shall accept the resignation, absent exceptional circumstances (such as the effect such resignation may have on the Corporation's ability to comply with applicable corporate or securities law requirements, applicable regulations, corporate governance rules or policies or commercial agreements regarding the composition). The nominee shall not attend any committee or Board deliberations pertaining to the consideration of the resignation. Resignations are expected to be promptly accepted except in situations where extraordinary circumstances warrant the applicable Director continuing to serve as a member of the Board. The Board shall disclose its election decision, via press release, within 90 days of the applicable meeting at which Directors were elected.

Subject to any applicable corporate law restrictions or requirements and the articles of the Company, if a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual general meeting of shareholders. Alternatively, it may fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of Shareholders, or it may call a special meeting of shareholders at which there will be presented a management nominee or nominees to fill the vacant position or positions.

### ***Director Term Limits and Board Renewal***

The Board has not adopted a formal policy regarding Director term limits or other mechanisms of board renewal because:

- the imposition of Director term limits implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination;
- it is important to ensure that Directors with significant and unique business experience in the Company's industry are retained;
- Directors with the level of understanding of the Company's business, history and culture acquired through long service on the Board provide additional value; and
- term limits have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and thereby may provide an increasing contribution to the Board as a whole.

### ***Board and Executive Leadership***

#### ***Role of the CEO***

The CEO has overall responsibility for providing leadership and vision to develop business plans that meet the Company's corporate objectives and day-to-day management of the operations of the Company. The CEO is tasked with ensuring that the Company is effectively carrying out the strategic plan approved by the Board, developing and monitoring key business risks and ensuring that the Company has appropriate policies and procedures in place to ensure the accuracy, completeness, integrity and appropriate disclosure of the financial statements and other financial information of the Company and, together with the CFO, he is responsible for establishing and maintaining appropriate internal controls over financial reporting, disclosure controls and procedures and, as required, processes for the certification of public disclosure documents. The CEO is the Company's principal spokesperson to the media, investors and the public.

#### ***Role of the Chair***

The Board has appointed Maurice Swan, an independent member of the Board, as the Chair of the Board. Mr. Swan's primary roles are to chair all meetings of the Board and Shareholders and to manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities. These responsibilities include setting the meeting agendas, ensuring that the Board works together as a cohesive team with open communication and assisting the Board, the committees of the Board, individual Directors and the Company's senior officers in understanding and discharging their obligations under the Company's system of corporate governance.

### ***Expectations of Management***

The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

### ***Nomination of Directors***

The Corporate Governance, Nominating and Sustainability Committee has responsibility for leading the process for identifying and recruiting potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives in the industry sector and carbon markets are consulted for possible candidates.

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources, management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

### ***Compensation of Directors and Officers***

Please refer to the comprehensive discussion contained within the “*Executive Compensation — Compensation Discussion and Analysis and Oversight of Compensation*” section of this AIF for information regarding compensation of the Company's NEOs.

For specific details regarding compensation of the Company's Directors, please refer to the “*Executive Compensation — Compensation Discussion and Analysis and Oversight of Compensation – Summary of Compensation*” section of this AIF.

### ***Diversity Policy and Representation of Women on the Board***

The Company is committed to creating and maintaining a culture of workplace diversity. Management of the Company will promote a work environment that values and utilizes the contributions of women and men, equally, with a variety of backgrounds, experiences and perspectives. The Board will monitor the Company's performance in meeting the standards outlined in a diversity policy that is intended to be adopted in the future, which will include an annual review of any diversity initiatives established by management and the Board and the progress in achieving them. The Board will monitor the effectiveness of such diversity policy through ongoing discussions with management and review of diversity within the Company at both the Board and employee level.

As at the date of this AIF, there is one female Director on the Board (17%). The Company has not adopted formal targets regarding the number of women to be elected to the Board or to be appointed to executive officer positions and the Company does not have written policies regarding the identification and nomination of female Director candidates for election to the Board.

The Corporate Governance, Nominating and Sustainability Committee is focused on finding the most qualified individuals available with skills and experience that will complement the Board and assist it in providing strong stewardship for the Company, with gender being only one of many factors taken into consideration when evaluating individuals as potential Directors. The Company is similarly focused on seeking the most qualified individuals with skills and experience that will be of greatest benefit to the Company, with gender being only one of many factors taken into consideration when evaluating individuals for senior management positions. This approach is believed to be in the best interests of the Company and its stakeholders.

## BOARD COMMITTEE INFORMATION

The Company has three committees at present, being the Audit Committee, the Compensation Committee and the Corporate Governance, Nominating and Sustainability Committee.

### Audit Committee

For additional information with respect to the Audit Committee of the Company, see “*Directors and Officers – Audit Committee*” in this AIF.

### Compensation Committee

During Fiscal 2020, the Company did not have a Compensation Committee. In 2021, the Compensation Committee was formed by the Board and is presently comprised of Maurice Swan (Chair), Andy Tester and Saurabh Handa. Each of the members of the Compensation Committee is independent within the meaning of the Governance Disclosure Rule.

The Compensation Committee’s mandate is to, among other things, assess and formulate and make recommendations to the Board in respect of compensation issues related to the Company’s officers and employees and compensation issues relating to the Directors. In addition to any other duties and authorities delegated to it by the Board from time to time, the Compensation Committee’s mandate includes:

- reviewing and recommending to the Board, on a non-binding basis, changes to its mandate, as considered appropriate from time to time;
- reviewing and making recommendations to the Board on the Company’s general compensation philosophy and overseeing the development and administration of compensation programs;
- reviewing the senior management and Board compensation policies and/or practices followed by the Company and seeking to ensure such policies are designed to recognize and reward performance and establish a compensation framework, which results in the effective development and execution of a Board-approved strategy;
- annually reviewing and recommending to the Board an evaluation of the performance of senior executives and providing recommendations for annual compensation based on such evaluation and other appropriate factors;
- administering the equity-based compensation plan;
- regularly reviewing the equity-based compensation plan and, in its discretion, making recommendations to the Board for consideration;
- identifying any compensation plans or practices that could encourage senior executives or other individuals to take inappropriate or excessive risks;
- identifying any other risks that may arise from the Company’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Company;
- overseeing and approving a report prepared by management on senior executive compensation on an annual basis in connection with the preparation of the annual management information circular or as otherwise required pursuant to applicable securities laws;
- reviewing and recommending to the Board the compensation of the Board members; and
- reviewing annually the effectiveness of the CEO and, in consultation with the CEO, other senior management and other executive officers, including their contributions, performance and qualifications.

Consultants may be periodically retained to assist the Compensation Committee in fulfilling its responsibilities.

## **Corporate Governance, Nominating and Sustainability Committee**

During Fiscal 2020, the Company did not have a Corporate Governance and Nominating Committee. In 2021, the Corporate Governance, Nominating and Sustainability Committee was formed by the Board and is presently comprised of Andy Tester (Chair), R. Marc Bustin and Maurice Swan. Each of the members of the Corporate Governance, Nominating and Sustainability Committee is independent within the meaning of the Governance Disclosure Rule.

The Corporate Governance, Nominating and Sustainability Committee's mandate is to, among other things, assess and formulate and make recommendations to the Board in respect of corporate governance and other issues relating to the Directors. In addition to any other duties and authorities delegated to it by the Board from time to time, the Corporate Governance, Nominating and Sustainability Committee mandate includes:

- reviewing and recommending to the Board, on a non-binding basis, changes to its mandate, as considered appropriate from time to time;
- overseeing the preparation of and recommending to the Board any required disclosures of governance practices to be included in any disclosure document of the Company, as required;
- reviewing, on a periodic basis, the size and composition of the Board, making recommendations as to the number of independent directors and advising the Board on filling vacancies;
- facilitating the independent functioning of the Board, including by assessing which Directors are independent Directors;
- assessing, annually, the effectiveness of the Chair of the Board, the Board as a whole, all committees of the Board;
- reviewing, on a periodic basis, the Code, recommending to the Board any changes thereto as considered appropriate from time to time, ensuring that management has established a system to monitor compliance with the code of business conduct and ethics, and reviewing management's monitoring of the Company's compliance with the Code;
- reviewing, on a periodic basis, senior management succession plans; and
- considering, in recommending to the Board suitable candidates to be nominated for election as Directors at the next annual meeting of shareholders.

Consultants may be periodically retained to assist the Corporate Governance, Nominating and Sustainability Committee in fulfilling its responsibilities.

**APPENDIX “C”  
BOARD MANDATE**



**BOARD MANDATE**

The members of the board of directors (respectively, the “**Directors**” and the “**Board**”) have the responsibility to oversee the conduct of the business of Carbon Streaming Corporation (the “**Corporation**”) and to oversee the activities of management who are responsible for the day-to-day conduct of the business.

**Section 1 Composition**

The Board shall be comprised of a majority of independent directors (and at a minimum, at least three independent Directors). The definition of independence is as provided by applicable law and stock exchange listing standards. No Director will be considered independent unless the Director has no “material relationship” (as such term is defined in National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators) with the Corporation, either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the Corporation.

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and coordinate the activities of the Board and to oversee execution by the Board of this written mandate. If the Chair is not independent, a majority of the Board’s independent Directors shall appoint (and if the Chair is in a conflict of interest with respect to a particular matter or matters, a majority of the Board’s independent Directors may appoint) an independent lead Director from among the Directors, who will be responsible for ensuring that the Directors who are independent (or non-conflicted) and management have opportunities to meet without management and non-independent (or conflicted, as applicable) Directors, as required, and will assume such other responsibilities as the independent Directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time.

The Board may, from time to time, engage consultants or members of the Corporation’s management team that are not directors of the Corporation, and these persons may attend meetings or portions of meetings as invited guests of the Board.

**Section 2 Operation**

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting Committees of the full Board and determining Director compensation. Subject to the Corporation’s Articles and the *Business Corporations Act* (British Columbia), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to Committees of the Board.

The full Board considers all major decisions of the Corporation, except that certain analyses and work of the Board will be performed by standing Committees empowered to act on behalf of the Board. The Corporation may have a number of standing Committees, including the Audit Committee, the Compensation Committee and Corporate Governance, Nominating and Sustainability Committee, and has the authority to appoint other committees to steward certain other matters.



Each Committee shall operate according to the mandate approved by the Board and outlining its duties, responsibilities and the limits of authority delegated to it by the Board. The Board shall review and reassess the adequacy of the mandate of each Committee on a regular basis and, with respect to the Audit Committee, at least once a year.

The Chair of the Board shall annually propose the leadership and membership of each Committee. In preparing recommendations, the Chair of the Board will take into account the preferences, skills and experience of each Director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

The Board will hold four regularly scheduled meetings each year. The Board shall meet at the end of its regular quarterly meetings without members of management being present, and as the Board otherwise deems necessary at non-regularly scheduled meetings. Special meetings will be called as necessary.

Directors are expected to attend all Board meetings and all Committee meetings where such Director is a member of such Committee, although it is understood that conflicts may occasionally arise that prevent a Director from attending a meeting. Attendance in person at Board meetings and Committee meetings is preferred, but attendance by teleconference or other electronic communication established by the Board or such Committee is permitted.

In advance of each regular Board and Committee meeting and, to the extent feasible each special meeting, information and presentation materials relating to matters to be addressed at the meeting will be distributed to each Director. It is expected that each Director will review presentation materials in advance of a meeting.

The Chair of the Board presides at all meetings of the Board and shareholders. Minutes of each meeting shall be prepared by the Corporate Secretary (or in his or her absence, a secretary who has been appointed for the purposes of the meeting). The Chief Executive Officer (the “CEO”), if he or she is not a Director, shall be available to attend all meetings of the Board or Committees of the Board upon invitation by the Board or any such Committee. Members of management and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board. Following each meeting, the Corporate Secretary will promptly report to the Board by way of providing draft copies of the minutes of the meetings. Supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any Director upon request to the CEO or Corporate Secretary.

**Section 3 Responsibilities**

The Board is responsible under law to supervise the management of the business and affairs of the Corporation. In broad terms the stewardship of the Corporation involves the Board in strategic planning, risk identification, management and mitigation, senior management determination and succession planning, communication planning and internal control integrity.

**Section 4 Specific Duties**

Without limiting the foregoing, the Board shall have the following specific duties and responsibilities:

- (1) **Legal Requirements**
  - (a) The Board has the oversight responsibility for meeting the Corporation’s legal requirements and for approving and maintaining the Corporation’s documents and records;
  - (b) The Board has the statutory responsibility to:
    - (i) manage or supervise the management of the business and affairs of the Corporation;

- (ii) act honestly and in good faith with a view to the best interests of the Corporation;
  - (iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
  - (iv) act in accordance with its obligations contained in the *Business Corporations Act* (British Columbia) and the regulations thereto, the Corporation's Articles, and other relevant legislation and regulations.
- (c) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
- (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - (ii) the filling of a vacancy among the Directors;
  - (iii) the issuance of securities;
  - (iv) the declaration of dividends;
  - (v) the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
  - (vi) the payment of a commission to any person in consideration of his or her purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;
  - (vii) the approval of management proxy circulars;
  - (viii) the approval of any take-over bid circular or directors' circular; and
  - (ix) the approval of annual financial statements of the Corporation.

**(2) Strategy Determination**

The Board has the responsibility to adopt a strategic planning process for the Corporation and to participate with management directly or through its Committees in approving goals and the strategic plan for the Corporation by which the Corporation proposes to achieve its goals. Review of the ESG Policy and Impact Investing Policy on an annual basis should also form part of the strategic review process. The Board shall monitor the implementation and execution of the tasks constituent to the corporate strategy.

To be effective, the strategy will result in creation of value over the long term while always preserving the Corporation's ability to conduct its business while balancing the interests of its various stakeholders. For the purpose of this clause, "stakeholder" will mean any party, group or institution whose reasonable approval is required for the Corporation to execute its Board approved strategy.

**(3) Managing Risk**

The Board has the responsibility to identify and understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to establish systems to monitor and manage those risks with a view to the long-term viability of the Corporation. It is the responsibility of management to ensure that the Board and its Committees are kept well informed of changing risks. The principal mechanisms through which the Board reviews risks are through the execution of the duties of its Committees and through the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

(4) **Appointment, Training and Monitoring Senior Management**

The Board has the responsibility to:

- (a) appoint the CEO and establish a description of the CEO's responsibilities and other senior management's responsibilities, monitor and assess the CEO's performance, determine the CEO's compensation, and provide advice and counsel in the execution of the CEO's duties;
- (b) approve the remuneration of the Corporation's senior management; and
- (c) monitor the development and implementation for the training and development of management and for the orderly succession of management.

(5) **Reporting and Communication**

The Board has the responsibility to:

- (a) ensure compliance with the reporting obligations of the Corporation, including that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
- (b) recommend to shareholders of the Corporation a firm of certified professional accountants to be appointed as the Corporation's independent auditor;
- (c) ensure that the financial results of the Corporation are reported fairly and in accordance with generally accepted accounting principles;
- (d) ensure the timely reporting of any change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of the common shares of the Corporation;
- (e) establish a process for direct communications with shareholders and other stakeholders through appropriate Directors, including through a Whistleblower Policy; and
- (f) ensure that the Corporation has in place a policy to enable the Corporation to communicate effectively with its shareholders and the public generally.

(6) **Monitoring and Acting**

The Board has the responsibility to:

- (a) establish policies and processes for the Corporation to operate at all times within applicable laws and regulations to the highest ethical and moral standards (advancing the interests of the Corporation, including the pursuit of differentiating performance in meeting the reasonable needs of all stakeholders of the Corporation);
- (b) ensure that management has and implements procedures to comply with, and to monitor compliance with, significant policies and procedures by which the Corporation is operated;
- (c) monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;

- (d) take action when performance falls short of its goals and objectives or when other special circumstances warrant or when changing circumstances in the business environment create risks or opportunities for the Corporation;
- (e) approve annual (or more frequent, as the Board feels to be prudent from time to time) operating and capital budgets and review and consider amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business that may significantly impact the value of or opportunities available to the Corporation; and
- (f) implement internal control and information systems and to monitor the effectiveness of same so as to allow the Board to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

(7) **Governance**

The Board has the responsibility to:

- (a) develop a position description for the Chair of the Board;
- (b) facilitate the continuity, effectiveness and independence of the Board by, among other things:
  - (i) appointing from among the Directors an Audit Committee, a Compensation Committee and Corporate Governance, Nominating and Sustainability Committee, and such other committees as the Board deems appropriate;
  - (ii) defining the mandate, including both responsibilities and delegated authorities, of each Committee of the Board;
  - (iii) establishing a system to enable any Director to engage an outside adviser at the expense of the Corporation;
  - (iv) ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each Director, each Committee and each Committee's Chair;
  - (v) reviewing annually the composition of the Board and its Committees and assess Directors' performance on an ongoing basis, and propose new members to the Board; and
  - (vi) reviewing annually the adequacy and form of the compensation of the Directors.

**Section 5 Director Orientation and Continuing Education**

New Directors will be provided with an orientation to, among other things, fully understand the role of the Board and its committees, the contribution individual directors are expected to make, and the nature and operation of the Corporation's business.

Directors will also be provided continuing education opportunities so that individual directors may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

## **Section 6 Conflicts of Interest**

- (a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Each Director serves in his or her personal capacity and not as an employee, agent or representative of any other company, organization or institution, even if the Director is employed by a shareholder or any other entity which does business with the Corporation.
- (b) A Director shall promptly disclose to the Chair of the Board any circumstances such as an office, property, duty or interest, which might create a conflict or perceived conflict with that Director's duty to the Corporation or proposed contract or transaction of or with the Corporation.
- (c) The disclosures contemplated in paragraphs (b) and (c) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any Committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur by e-mail to the other Directors immediately upon realization of the conflicting situation and then confirmed at the first Board and/or Committee meeting after the Director becomes aware of the potential conflict of interest that is attended by the conflicted Director.
- (d) Each Director will, on an annual basis, disclose all entities to which it is related, affiliated or in which it holds a direct or indirect interest that may do business with the Corporation or operate in the same industry.
- (e) A Director's disclosure to the Board or a Committee of the Board shall disclose the full nature and extent of that Director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board or such Committee of the Board.
- (f) Directors shall not use information obtained as a result of acting as a Director for personal benefit or for the benefit of others.
- (g) Any Director shall not use or provide to the Corporation any information known by the Director that, through a relationship with a third party, the Director is not legally able to use or provide.
- (h) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a Director.

## **Section 7 Mandate Review**

This Mandate shall be annually reviewed and assessed and the Board shall make any changes necessary.

## **Section 8 General**

The Board may perform any other activities consistent with this Mandate, the Corporation's Articles and any governing laws as the Board deems necessary or appropriate.

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

Form 52-109F1 – AIF  
Certification of annual filings in connection  
with voluntarily filed AIF

This certificate is being filed on the same date that Carbon Streaming Corporation (the “issuer”) has voluntarily filed an AIF.

I, **Justin Cochrane**, the President and Chief Executive Officer of Carbon Streaming Corporation, certify the following:

1. **Review:** I have reviewed the AIF, annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of the issuer for the financial year ended June 30, 2020.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: July 15, 2021

(Signed) “Justin Cochrane”

Justin Cochrane  
Chief Executive Officer

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Form 52-109F1 – AIF  
Certification of annual filings in connection  
with voluntarily filed AIF

This certificate is being filed on the same date that Carbon Streaming Corporation (the “issuer”) has voluntarily filed an AIF.

I, **Conor Kearns**, the Chief Financial Officer of Carbon Streaming Corporation, certify the following:

1. **Review:** I have reviewed the AIF, annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of the issuer for the financial year ended June 30, 2020.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: July 15, 2021

(Signed) “Conor Kearns”

\_\_\_\_\_  
ConorKearns  
Chief

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.



## CARBON STREAMING CORPORATION

### CODE OF BUSINESS CONDUCT & ETHICS

#### PURPOSE OF THIS CODE

- a) This Code of Business Conduct and Ethics (this “**Code**”) is intended to document the principles of conduct and ethics to be followed by the employees, contractors, consultants, officers and directors, or any other person working for Carbon Streaming Corporation and its subsidiaries (collectively, the “ **Corporation**”). This Code applies equally, without limiting the generality of the foregoing, to all permanent, contract, secondment and temporary agency employees who are on assignments with the Corporation, as well as to consultants to the Corporation. Its purpose is to:
- i) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts between personal and professional interests;
  - ii) promote avoidance of conflicts of interest;
  - iii) promote disclosure in writing to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
  - iv) promote full, fair, accurate, true, timely and understandable disclosure in reports and documents that the Corporation issues or files with, or submits to, the securities regulators and in all public communications made by the Corporation;
  - v) promote compliance with applicable governmental laws, rules and regulations;
  - vi) promote the prompt internal reporting to an appropriate person of violations of this Code and provide mechanisms to report unethical conduct;
  - vii) promote accountability for adherence to this Code;
  - viii) promote respect for local communities and customs;
  - ix) avoid discrimination and nepotism;
  - x) promote a positive work environment and atmosphere;
  - xi) promote compliance with laws applicable in the jurisdictions in which the Corporation operates;
  - xii) provide guidance to employees, contractors, consultants, officers and directors of the Corporation to help them recognize and deal with ethical issues; and
  - xiii) help foster a culture of honesty and accountability within the Corporation.



- b) The Code presents the minimum moral and ethical standard of conduct required for any director, officer, employee, contractor or consultant of the Corporation. The Corporation will expect all its any director, officer, employee, contractor or consultant to comply and act in accordance with the principles stated herein. Violations of this Code by any director, officer, employee, contractor or consultant are grounds for disciplinary action, which may include immediate termination of employment, provision of services, position as an officer of the Corporation, or, in the case of a director, a request for the director's resignation.
- c) An explanation of each of the rules is set forth below. If you have a question regarding the application of any rule or about the best course of action in a particular situation, you should seek guidance from your supervisor. If you require additional support, you may contact the General Counsel. The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") may seek guidance from the General Counsel, but may escalate matters to the Chair of the Board, who shall consult, as appropriate, with the Chair of the Audit Committee. Members of the Board may seek guidance from the Chair of the Audit Committee.

## **WORKPLACE**

### **d) Non-Discriminatory and Harassment-Free Workplace**

The Corporation fosters a work environment in which all individuals are treated with respect and dignity. The Corporation is an equal opportunity employer and does not discriminate against directors, officers, employees, contractors, consultants, or potential employees, or other service providers, on the basis of race, color, religion, sex, national origin, age, sexual orientation or disability or any other category protected by Canadian federal or provincial laws and regulations, or any laws or regulations applicable in the jurisdiction where such directors, officers, employees, contractors, or consultants are located. The Corporation will make reasonable accommodations for its employees in compliance with applicable laws and regulations. The Corporation is committed to actions and policies to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action and will not tolerate discrimination by its employees and agents.

The Corporation will not tolerate any harassment of its employees, customers or suppliers.

The workplace must be free from violent behaviour. Threatening, intimidating or aggressive behaviour, as well as bullying, subjecting to ridicule or other similar behaviour toward fellow employees or others in the workplace will not be tolerated.

### **e) Substance Abuse**

The Corporation is committed to maintaining a safe and healthy work environment free of substance abuse. Employees, officers and directors of the Corporation are expected to perform their responsibilities in a professional manner and, to the degree that job performance or judgment may be hindered, be free from the effects of drugs and/or alcohol.

### **f) Employment of Relatives**

The Corporation discourages the employment of relatives in positions or assignments within the same department and prohibits the employment of such individuals in positions that have a financial dependence or influence. Employment of more than one relative at an office of the Corporation or other premises is permissible but the direct supervision of one relative by another is not permitted unless otherwise authorized by the CEO, the Chair of the Board and, if any, the Lead Director.

Indirect supervision of a relative by another is also discouraged and requires the prior approval of the CEO and the Chair of the Board. If such employment is approved, any personnel actions affecting that employee must also be reviewed and endorsed by the CEO. “**Relatives**” include spouse/significant others, sister, brother, daughter, son, mother, father, grandparents, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws. “**Significant others**” include persons living in a spousal or familial fashion with an employee, consultant, officer or director. If a question arises about whether a relationship is covered by this Code, the CEO will determine whether an applicant or transferee’s acknowledged relationship is covered by this Code.

Wilful withholding information regarding a prohibited relationship or reporting arrangement will be subject to corrective action. If a prohibited relationship exists or develops between two employees, the employee in the senior position must bring this to the attention of his/her supervisor. The Corporation retains the prerogative to separate the working arrangements of the individuals at the earliest possible time.

**g) Environmental, Safety, and Occupational Health Practices**

Sound environmental, safety and occupational health management practices are in the best interests of the Corporation, its employees, officers, directors, shareholders and the communities in which it operates. The Corporation is committed to conducting its business in accordance with recognized industry standards and to meeting or exceeding all applicable environmental and occupational health and safety laws and regulations.

**THIRD PARTY RELATIONSHIPS**

**h) Conflicts of Interest**

Directors, officers, employees, contractors or consultants of the Corporation are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Corporation.

Conflicts of interest arise where an individual’s position or responsibilities with the Corporation present an opportunity for personal gain apart from the normal rewards of employment, provision of services, officership or directorship, to the detriment of the Corporation. They also arise where an individual’s personal interests are inconsistent with those of the Corporation and create conflicting loyalties. Such conflicting loyalties can cause a director, officer, employee, contractor or consultant to give preference to personal interests in situations where corporate responsibilities should come first. Directors, officers, employees, contractors or consultants of the Corporation shall perform the responsibilities of their positions on the basis of what is in the best interests of the Corporation and free from the influence of personal considerations and relationships.

Employees, contractors and consultants must disclose promptly in writing possible conflicts of interest to their supervisor, or if the supervisor is involved in the conflict of interest, to the CEO. Directors or officers of the Corporation shall disclose in writing conflicts of interest to the lead director or Chair of the Board.

If a conflict of interest arises or exists, and there is no failure of good faith on the part of the employee, contractor, consultant, officer or director, the Corporation’s policy generally will be to allow a reasonable amount of time for the employee, contractor, consultant, officer or director to correct the situation in order to prevent undue hardship or loss; however, all decisions in this regard will be at the discretion of the CEO, whose primary concern in exercising such discretion will be in the best interests of the Corporation.

Directors, officers, employees, contractors or consultants of the Corporation shall not acquire any property, security or any business interest, which they know that the Corporation is interested in acquiring. Moreover, based on advance information, directors, officers, employees, contractors or consultants of the Corporation shall not acquire any property, security or business interest, which they know the Corporation is interested in acquiring, for speculation or investment. It is not, however, typically considered a conflict of interest if a director, officer, employee, contractor or consultant acquires an interest in a competitor, customer or supplier that is listed on a stock exchange so long as the total value of the investment is less than 5% of the outstanding stock of the Corporation and the amount of the investment is not so significant that it would affect the person's business judgment on behalf of the Corporation. Notwithstanding the foregoing, any such investment is subject to and must comply with the Corporation's Disclosure Policy and Insider Trading Policy and applicable securities laws.

**i) Gifts and Entertainment**

Directors, officers, employees, contractors or consultants of the Corporation or their immediate families shall not use their position with the Corporation to solicit any cash, gifts or free services from any of the Corporation's customers, suppliers or contractors for their personal benefit, or for the personal benefit of their immediate family or friends. Gifts or entertainment from others should not be accepted if they could be reasonably considered to be extravagant or otherwise improperly influence the Corporation's business relationship with or create an obligation to a customer, supplier or contractor. Employees must inform their immediate superior of gifts and entertainment received within a reasonable period not exceeding one (1) month from receipt.

The following are guidelines regarding gifts and entertainment given to directors, officers, employees, contractors or consultants of the Corporation or given to others outside of the Corporation by the Corporation:

- (i) the gift or entertainment may not be given or accepted with the intention or expectation of influencing a party to obtain or retain business or a business advantage, or as a reward for the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- (ii) the gift or entertainment must be customary or not unusual to the industry;
- (iii) the gift or entertainment must not violate local laws or local norms;
- (iv) any gift or entertainment given must be in the name of the Corporation and not in the name of any individual;
- (v) any gift or entertainment may not be in the form of cash or cash equivalents (such as vouchers or gift certificates);
- (vi) the gift or entertainment must be of an appropriate type and value and given or accepted at an appropriate time, taking into account the business relationship with the other party, any pending action expected of the other party, and the reason for the gift or entertainment; and
- (vii) the gift or entertainment must be given and accepted openly and not secretly.

For more information on Gift and Entertainment standards, please see the Corporation's *Anti- Bribery and Corruption Policy*.

**j) Competitive Practices**

The Corporation complies with and supports laws of all jurisdictions, which prohibit restraints of trade, unfair practices, or abuse of economic power.

The Corporation will not enter into arrangements that unlawfully restrict its ability to compete with other businesses, or the ability of any other business organization to compete freely with the Corporation, except as approved by the Board or as provided for under confidentiality agreements or other written agreements that contain an area of interest clause. The Corporation's policy also prohibits its directors, officers, employees, contractors or consultants from entering into or discussing any unlawful arrangement or understanding that may result in unfair business practices or anti-competitive behaviour.

**k) Supplier and Contractor Relationships**

The Corporation selects its suppliers, consultants and contractors in a non-discriminatory manner based on quality, cost and service. Decisions must never be based on personal interests or the interests of family members or friends. All Directors, officers, employees, contractors or consultants are required to conduct themselves in a business-like manner that promotes equal opportunity and prohibits discriminatory practices.

Conducting business of the Corporation with a relative, or with a business in which a relative is associated in any significant role, should be avoided. If such a related party transaction is unavoidable, the nature of the related-party transaction should be disclosed to the CEO in advance. If it is determined to be material to the Corporation, the Audit Committee must review and approve in writing in advance such related party transactions. The most significant related party transactions, particularly those involving the Corporation's directors or executive officers, must be reviewed and approved in writing in advance by the Board. The Corporation must report all such material related party transactions under applicable accounting rules, securities laws and regulations, and securities market rules. Any dealings with a related party must be conducted in such a way that preferential treatment is not given to that business.

Employees, contractors and consultants must inform their supervisors, and officers and directors must inform the Chair of the Audit Committee, of any relationships that appear to create a conflict of interest.

**l) Public Relations**

The Corporation's CEO, CFO, and such other persons appointed as spokespersons in accordance with the Corporation's Corporate Disclosure Policy are responsible for all public relations, including all contact with the media. Unless a director, officer, employee, contractor or consultant is specifically authorized to represent the Corporation to the media, such person may not respond to inquiries or requests for information. This includes newspapers, magazines, trade publications, radio and television as well as any other external sources requesting information about the Corporation. If the media contacts a director, officer, employee, contractor or consultant about any topic, such person should immediately refer the call to one of the spokespersons.

Employees should not post information relating to the Corporation on any social media sites such as Facebook, Twitter or Internet chat rooms, unless so directed by a person responsible for public relations. Further, if an employee encounters information about the Corporation on a social media site or the Internet, they should forward that information to the CEO.

Employees must be careful not to disclose confidential or business information through public or casual discussions to the media or others.

**m) Business and Government Relations**

Directors, officers, employees, contractors or consultants of the Corporation may participate in the political process as private citizens. It is important to separate personal political activity and the Corporation's political activities, if any, in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials.

Please refer to the Corporation's *Anti-Bribery and Anti-Corruption Policy* for guidance regarding political contributions. If you are in doubt about the legitimacy of a payment or a gift of any kind that you have been requested to make, refer such situations to the CEO and General Counsel.

**n) Officerships and Directorships**

Employees and officers of the Corporation shall not act as officers or directors of any other corporate entity or organization, public or private, without the prior approval of the CEO in the case of employees, other than the CEO, and the Chair of the Board in the case of the CEO. Serving as a trustee, director or a similar position for a government agency or an outside entity, may create a conflict of interest. Being a trustee or director or serving on a standing committee of some organizations, including government or non-governmental agencies, charities and non-profit organizations, may also create a conflict. On or before accepting an appointment to the board or a committee of any entity, a director, officer, employee, contractor or consultant should consider whether it creates a conflict of interest with reference to the factors considered above under the heading "Third Party Relationships - Conflicts of Interest", including whether the appointment would detract from his or her ability to devote appropriate time and attention to his or her responsibilities with the Corporation.

**LEGAL COMPLIANCE**

**o) Compliance with Laws, Rules and Regulations**

Directors, officers, employees, contractors or consultants of the Corporation are expected to comply in good faith at all times with all applicable laws, rules and regulations and to behave in an ethical manner.

**p) Compliance with Insider Trading Laws and Timely disclosure**

All employees, officers, consultants, contractors and directors are expected to thoroughly understand and comply with applicable laws in respect of the improper trading of securities of the Corporation and the improper communication of undisclosed material information regarding the Corporation. Employees, consultants, contractors, officers and directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the Corporation's business. All non-public information about the Corporation should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others, including family members, who might make an investment decision on the basis of this information, is not only unethical but also illegal.

Directors, officers, employees, contractors or consultants of the Corporation are required to comply with policies and procedures applicable to them that are adopted by the Corporation from time to time and provide full, fair, accurate, understandable and timely disclosure in reports and documents filed with, or submitted to, securities regulatory authorities and other materials that are made available to the investing public.

Directors, officers, employees, contractors or consultants of the Corporation must cooperate fully with those responsible for preparing reports filed with the securities regulatory authorities and all other materials that are made available to the investing public to ensure those persons are aware in a timely manner of all information that is required to be disclosed. Employees, officers, contractors, consultants and directors of the Corporation should also cooperate fully with the independent auditors in their audits and in assisting in the preparation of financial disclosure.

## OPPORTUNITIES, INFORMATION AND RECORDS

### q) **Confidential and Proprietary Information and Trade Secrets**

Directors, officers, employees, contractors or consultants of the Corporation may be exposed to certain opportunities brought to the Corporation and information that is considered confidential by the Corporation or may be involved in the design or development of new procedures related to the business of the Corporation. All such opportunities, information and procedures, whether or not the subject of copyright or patent, are the sole property of the Corporation. Directors, officers, employees, contractors or consultants shall not appropriate corporate opportunities for their own use or disclose confidential information to persons outside the Corporation, including family members, and should share it only with other persons when explicitly authorized pursuant to the Corporation's disclosure policy or when legally required.

Directors, officers, employees, contractors or consultants of the Corporation are responsible and accountable for safeguarding the Corporation's documents and information to which they have direct or indirect access as a result of their employment, provision of services, officership or directorship with the Corporation.

Unauthorized use or distribution of this information violates the Code. It is also illegal and could result in civil or criminal penalties.

### r) **Financial Reporting and Records**

The Corporation maintains a high standard of accuracy and completeness in its financial records. These records serve as a basis for managing the Corporation's business and are crucial for meeting obligations to employees, contractors, consultants, investors and others, as well as for compliance with regulatory, tax, financial reporting and other legal requirements. Employees, contractors, consultants, officers and directors of the Corporation who make entries into business records or who issue regulatory or financial reports, have a responsibility to fairly present all information in a truthful, accurate and timely manner. No employee, contractor, consultant, officer or director shall exert any influence over, coerce, mislead or in any way manipulate or attempt to manipulate the independent auditors of the Corporation.

### s) **Record Retention**

The Corporation strives to maintain all records in accordance with laws and regulations regarding retention of business records. The term "**business records**" covers a broad range of files, reports, business plans, receipts, policies and communications, including hard copy, electronic, audio recording, microfiche and microfilm files whether maintained at work or at home. The Corporation prohibits the unauthorized destruction of or tampering with any records, whether written or in electronic form, where the Corporation is required by law or government regulation to maintain such records or where it has reason to know of a threatened or pending government investigation or litigation relating to such records.

For more information on Record-Keeping, please see the Corporation's *Anti-Bribery and Corruption Policy*.

## ASSETS OF THE CORPORATION

### t) **Use of Corporation's Assets/Opportunities**

The use of Corporation assets or opportunities for individual profit or any unlawful unauthorized personal or unethical purpose is prohibited. The Corporation's assets include its reputation, trademarks and name, your time at work and work productivity, as well as information, technology, intellectual assets, buildings, land, equipment, machines, software and cash, all of which must be used only for business purposes except as provided by this Code or approved by the CEO.

u) **Destruction of Assets and Theft**

Directors, officers, employees, contractors or consultants of the Corporation shall not intentionally damage or destroy the assets of the Corporation or others or commit theft.

v) **Intellectual Property of Others**

Directors, officers, employees, contractors or consultants of the Corporation may not reproduce, distribute, or alter copyrighted materials without permission of the copyright owner or its authorized agents. Software used in connection with the Corporation's business must be properly licensed and used only in accordance with that license.

w) **Information Technology**

The Corporation's information technology systems, including computers, e-mail, intranet and internet access, telephones and voice mail are the property of the Corporation and are to be used primarily for business purposes. The Corporation's information technology systems may be used for minor or incidental reasonable personal messages provided that such use is kept at a minimum is in compliance with the Corporation's policies generally and does not interfere with the Corporation's business.

The Corporation may take reasonable steps to ensure the security of information and monitor the use of information technology resources as the inappropriate use of these resources may not only interfere with carrying on the Corporation's business but may also jeopardize the Corporation's reputation or compliance with regulatory requirements. The Corporation acknowledges that from time to time the personal use of information technology resources may be necessary; however, such use should not impact business activities.

Directors, officers, employees, contractors or consultants of the Corporation may not use the Corporation's information technology systems to:

- i) allow others to gain access to the Corporation's information technology systems without the formal written approval of the CEO;
- ii) send harassing, threatening or obscene messages;
- iii) send chain letters;
- iv) use information technology for individual profit or any unlawful, unauthorized or unethical purpose;
- v) reproduce, distribute or alter copyrighted materials without the permission of the copyright owner;
- vi) make personal or group solicitations unless authorized by a senior officer; or
- vii) conduct personal commercial business.

**USING THIS CODE AND REPORTING VIOLATIONS**

It is the responsibility of all directors, officers, employees, contractors and consultants of the Corporation to understand and comply with this Code. Upon receipt of this Code, you are required to acknowledge compliance of this Code. Any waiver from any part of this Code for employees, contractors or consultants requires the approval of the CEO. Any waiver from any part of this Code for officers or directors requires the express approval of the Board and, if required by applicable securities regulatory authorities, public disclosure.

If you observe or become aware of an actual or potential violation of this Code or of any law or regulation, whether committed by employees of the Corporation or by others associated with the Corporation, it is your responsibility to report the circumstances as outlined herein and to cooperate with any investigation by the Corporation. This Code is designed to provide an atmosphere of open communication for compliance issues and to ensure that directors, officers, employees, contractors or consultants acting in good faith have the means to report actual or potential violations.

To report actual or potential compliance infractions relating to this Code, please refer to the procedure provided for in the Corporation’s *Whistleblower Policy*.

**WAIVERS OF THIS CODE**

From time to time, the Corporation may waive certain provisions of this code. Waivers generally may only be granted by the CEO or the Chair of the Board or the Lead Director, if any, or the Chair of the Audit Committee; however, any waiver of the provisions of this Code for officers, and directors may be made only by the Board or a designated Committee of the Board and will be disclosed to shareholders as required by applicable rules and regulations.

**CODE REVIEW**

The Board will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

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





NEWS RELEASE

CARBON STREAMING ANNOUNCES ANNUAL AND SPECIAL GENERAL MEETING RESULTS

**TORONTO, ONTARIO, June 29, 2021** – Carbon Streaming Corporation (“Carbon Streaming” or the “Company”) today held its annual general meeting of shareholders (the “Meeting”), where each of the six nominees proposed as directors and listed in the Company’s management proxy circular dated May 28, 2021 were elected as directors. A total of 13,820,092 common shares were voted in respect of the election of directors at the Meeting, representing approximately 14.01% of the votes attached to all outstanding common shares.

The detailed results of the vote are set out below:

Nominee	Outcome of Vote	Voted	Voted (%)
Maurice Swan	Approved	13,768,765 Voted 3,500 Withheld	99.97% 0.03%
Justin Cochrane	Approved	13,768,705 Voted 3,560 Withheld	99.97% 0.03%
R. Marc Bustin	Approved	13,768,735 Voted 3,530 Withheld	99.97% 0.03%
Saurabh Handa	Approved	13,768,765 Voted 3,500 Withheld	99.97% 0.03%
Andy Tester	Approved	13,733,765 Voted 38,500 Withheld	99.72% 0.28%
Jeanne Usonis	Approved	13,768,705 Voted 3,560 Withheld	99.97% 0.03%

At the Meeting, the shareholders of the Company also approved: (i) the appointment of Baker Tilly WM LLP as auditor and authorized the directors to fix their remuneration; and (ii) the approval of the Company’s omnibus long-term incentive plan of the Company.

About Carbon Streaming Corporation:

Carbon Streaming Corporation is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. The Company intends to invest capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

ON BEHALF OF THE COMPANY:

Justin Cochrane, President and CEO  
[info@carbonstreaming.com](mailto:info@carbonstreaming.com)  
[www.carbonstreaming.com](http://www.carbonstreaming.com)

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**NEWS RELEASE****CARBON STREAMING WELCOMES  
FOUR MANAGEMENT TEAM MEMBERS**

TORONTO, ONTARIO, June 9, 2021 – Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) is pleased to announce the expansion and strengthening of its management team with the addition of four key leadership roles. Carbon Streaming has assembled the team to accelerate the long-term growth of its carbon project investment portfolio from origination and due diligence through to transaction closure, monitoring and monetization. The team will work in support of the Company’s mission to develop carbon offset projects to mitigate climate change, support local economies in our project communities, and protect and preserve the natural environment for generations to come.

“I would like to extend a very warm welcome to our newest members of the Carbon Streaming management team: Michael Psihogios, Anne Walters, Alec Kushnir and Amy Chambers. Carbon Streaming looks forward to working with each of you as we endeavor to significantly grow this Company in the months and years ahead,” stated Justin Cochrane. “I am very excited to have such a high calibre group of individuals to successfully accelerate our investment strategies and business plans.”

**Michael Psihogios** (Chief Investment Officer)

Michael Psihogios has over fifteen years of financing, M&A, and corporate finance experience. Michael has extensive expertise in sourcing, structuring, due diligence, and negotiating both financing and M&A transactions from corporate and private equity perspectives across multiple industries throughout Europe, Africa, the Americas, and Australasia.

Most recently, Michael was the Chief Financial Officer of DUMAS, a specialized construction and engineering firm. Prior to DUMAS, Michael worked with an international private equity fund on numerous executive and corporate development secondment roles within portfolio companies, involved in raising capital and the ultimate sale of each business. Prior to a career in private equity, Michael worked in investment banking with National Bank Financial in the M&A group.

Michael Psihogios holds an MBA from the University of Toronto (Canada) and the University of St. Gallen (Switzerland).

**Anne Walters** (General Counsel & Corporate Secretary)

Anne Walters is a lawyer with nearly twenty years of experience in the Canadian corporate sector. Prior to joining the Company, Anne worked in-house, as the head of the Canadian legal team at a TSX listed energy company with South American operations. Prior to that, Anne practiced law at Stikeman Elliott LLP, working in the areas of corporate finance and M&A.

Anne Walters holds a J.D. from the University of Toronto, an M.B.A. from the University of Toronto, and a B.A. from McGill University. Anne is also a member of the Ontario Bar.

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**Alec Kushnir** (EVP, Energy Carbon Credit Origination)

Alec Kushnir has over twenty-five years of experience in developing and financing power plants, LNG terminals, pipelines and mines for energy companies, commodity trading firms and financial institutions. Inspired by the potential companies have in helping to transition to a low carbon society, Alec has developed energy solutions for clients that significantly reduce their carbon footprint, improve air quality, and provide social benefits to the surrounding communities.

Most recently, Alec worked as Vice President, Business Development for New Fortress Energy (NFE), a leading LNG to power fuel supplier and infrastructure developer. While at NFE, Alec initiated the company's carbon management strategy including creation of carbon credits for fuel switching projects related to NFE and customer owned power plants.

Alec Kushnir has also held positions with Noble Group, ANZ Investment Bank, Sithe Energies, Dresdner Kleinwort Benson, and Gas Energy developing power plants and executing structured finance, hedging, M&A, and high yield transactions totaling over \$5 billion.

**Amy Chambers** (Director, Marketing, Communications & Sustainability)

Amy Chambers is a communications professional with twenty years of experience executing strategic initiatives in industry leading corporate and non-profit organizations in Europe and North America. Amy has held functional leadership roles in sales, marketing, communications, brand management, advertising, market research, and public policy advocacy.

Amy Chambers holds a B.A. in Communications from the University of Georgia and an MBA in Marketing from Questrom School of Business, Boston University. With a focus on Environmental, Social and Governance (ESG) strategies, Amy has pursued studies in these areas of interest to include Environmental Law and Social Justice from Harvard Extension School, Circular Economy and Sustainability Strategies from Cambridge Judge Business School, and GRI Sustainability Reporting Standards certification from LEAD Canada.

In conjunction with these appointments, the board of directors have approved the issuance of 550,000 incentive stock options and restricted share units (RSUs). The incentive stock options granted are exercisable at C\$1.00 per share for a period of five years expiring June 7, 2026. These grants represent approximately 0.005 per cent of the Company's issued and outstanding share capital.

**About Carbon Streaming Corporation**

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**ON BEHALF OF THE COMPANY:**

*"Justin Cochrane"*

Justin Cochrane, President and CEO

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

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**NEWS RELEASE**  
**CARBON STREAMING ANNOUNCES STRATEGIC PARTNERSHIP WITH BC FIRST NATIONS COMPANY**

TORONTO, ONTARIO, June 7, 2021 – Carbon Streaming Corporation (“**CSC**” or the “**Company**”) is pleased to announce it has formed a strategic joint-venture partnership (“**JV**”) with WilsonZinter Enterprises Ltd. (“**WZ**”), an established First Nations business in British Columbia (“**BC**”).

The purpose of the JV is to source and finance investment opportunities in collaboration with First Nations and develop projects within their territories to combat climate change through the reduction of greenhouse gas (“**GHG**”) emissions. In addition, these projects support biodiversity protection, grow and enhance local community and social programs, foster business and employment opportunities, and deliver important environmental education and capacity building. Projects once developed will result in GHG emissions reductions that will be marketed for sale as carbon credits once fully validated and certified.

WZ is led by Candice Wilson and Amanda Zinter, both of whom have spent nearly a decade working together reviewing environmental and industrial projects and assessments located within, and on behalf of, the Haisla Nation (“**Nation**”) of northern British Columbia. WZ is an industry leader in environmental and social responsibility.

In partnership, CSC and WZ will meet with First Nations officials to finance and develop offsetting projects, realizing the many anticipated project benefits:

- **Natural Resources Management** such as reforestation and improved forestry management, wetland restoration, and associated efforts to protect the area’s rich biodiversity (native species include: Sikta Spruce, Western Hemlock, Red Cedars, bears, wolves, deer, foxes, and wolverines, among others).
- **Partnership with First Nations** offering sustainable economic development, employment, and environmental education opportunities for self-sufficient communities in recognition of and respect for their proud tradition as land and water defenders.

Justin Cochrane, President & CEO of the Company stated, “Carbon Streaming is thrilled to be partnering with WZ and together, collaborating with First Nations in BC.” Mr. Cochrane continued, “This joint venture not only demonstrates our sustained commitment to our shared environment and the communities that depend on them, it presents a unique opportunity to work with a female-Indigenous owned organization, demonstrating our commitment to supporting equal opportunity business relationships.”

The Company will provide further updates as the JV sources and finalizes investment opportunities with First Nation communities in BC.

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## **About WilsonZinter Enterprises Ltd.**

WilsonZinter Enterprises partners with private sector businesses that demonstrate high levels of environmental and social responsibility. An aspect of this commitment to social responsibility is contracting with a female-Indigenous owned organization to provide transparent, equal opportunity business relationships. Candice Wilson and Amanda Zinter’s intent is to pave the path for excellence in environment and social governance and to pass on the knowledge to other individuals with the same vision. The formula to the successful development of major industrial projects in British Columbia includes maximizing benefits and WilsonZinter is able to help find the solution. They have collaborated on six LNG (liquified natural gas) projects and participated in six environmental assessments.

Contact: [info@wilsonzinter.ca](mailto:info@wilsonzinter.ca)

## **About Carbon Streaming Corporation**

Carbon Streaming Corporation is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. The Company intends to invest capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

## **ON BEHALF OF THE COMPANY:**

*“Justin Cochrane”*

Justin Cochrane, President and CEO

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

## **Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain information which constitutes ‘forward-looking statements’ and ‘forward-looking information’ within the meaning of applicable Canadian securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward- looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to: statements regarding the finalization of definitive documentation and closing of the carbon credit stream transaction, statements and figures with respect to the development, implementation, validation and verification of carbon projects; statements and figures with respect to the generation of local community benefits; statements with respect to the conservation and protection of forestry and endangered species; statements with respect to the annual creation of carbon credits; and, statements with respect to the business and assets of the Company and its strategy going forward. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, most of which are beyond the Company’s control. Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements.

The forward-looking statements contained herein are made as of the date of this release and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.

No securities regulatory authority has approved of the contents of this news release.

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Carbon Streaming Corporation

**Management  
Information Circular**

For the Annual and Special Meeting of Shareholders  
to be held on **June 29, 2021**

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**ADDENDA**

SCHEDULE “A”	OMNIBUS LONG-TERM INCENTIVE PLAN
SCHEDULE “B”	AUDIT COMMITTEE CHARTER

## **Notice of Annual and Special Meeting of Shareholders**

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**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares of Carbon Streaming Corporation (the “**Company**”) will be held at the offices of the Company, 4 King Street West, Suite 401, Toronto, Ontario, Canada, M5H 1B6 on Tuesday, June 29, 2021 at the hour of 9:00 a.m. (Toronto Time), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the financial year ended June 30, 2020 together with the report of the auditor thereon;
2. to fix the number of directors of the Company at six;
3. to elect directors of the Company for the ensuing year;
4. to appoint Baker Tilly WM LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the board of directors to fix their remuneration;
5. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the Company’s Omnibus Long Term Incentive Plan (and ratifying certain prior grants thereunder), as more particularly described in the accompanying Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

### **IMPACT OF COVID-19**

**This year, to proactively deal with the ongoing public health impact of the ongoing novel coronavirus disease pandemic (“COVID-19”), to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, and in order to comply with the measures imposed by the federal and provincial governments, shareholders of the Company are respectfully asked not to attend in person at the Meeting. All shareholders of the Company are strongly encouraged to cast their vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Circular accompanying this Notice.**

The specific details of the foregoing matters to be put before the Meeting are set forth in the accompanying Management Information Circular (the “**Circular**”), which is deemed to form part of this Notice of Meeting. The audited consolidated financial statements and related management’s discussion and analysis (“**MD&A**”) for the Company for the financial year ended June 30, 2020 is mailed to those shareholders who have previously requested to receive them. Otherwise, they are available upon request to the Company, on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com). This Notice of Meeting is accompanied by the Circular, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders and a supplemental mailing list return card (collectively, the “**Meeting Materials**”). Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose.

The Meeting Materials will be available on the Company’s website as of June 4, 2021 and will remain on the website for one full year thereafter. The Meeting Materials will also be available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) as of June 4, 2021. The Company will mail paper copies of the applicable Meeting Materials to those registered and beneficial shareholders who previously elected to receive paper copies. Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling +1 647 846 7765 or by email at [info@carbonstreaming.com](mailto:info@carbonstreaming.com). If you have any questions about the information contained in this Information Circular, or require any assistance in completing your form of proxy, please contact the Company by phone at +1 647 846 7765 or by e-mail at [info@carbonstreaming.com](mailto:info@carbonstreaming.com).

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The board of directors of the Company has, by resolution, fixed the close of business on May 19, 2021 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof. Proxies to be used at the Meeting must be deposited with the Company, c/o the Company's transfer agent, c/o Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department or online at <https://login.odysseytrust.com/pxlogin>, no later than 9:00 a.m. (Toronto Time) on June 25, 2021, or no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournments or postponements thereof is held. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice. Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

**DATED** at Toronto, Ontario this 28th day of May, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
CARBON STREAMING CORPORATION**

*(signed) Justin Cochrane*

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Justin Cochrane  
President & Chief Executive Officer

## Introduction

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Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) is providing this Management Information Circular (the “**Circular**”) and a form of proxy or voting instruction form in connection with management’s solicitation of proxies for use at the annual and special meeting (the “**Meeting**”) of the Company to be held on Tuesday, June 29, 2021, and at any adjournments or postponements thereof. Unless the context otherwise requires, when we refer in this Circular to the Company its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation, if any.

The Company may utilize the Broadridge QuickVote service to assist beneficial shareholders with voting their shares over the telephone. Broadridge then tabulates the results of all the instructions received and then provides the appropriate instructions respecting the shares to be represented at the Meeting.

All dollar amounts referenced herein are, unless otherwise stated, expressed in Canadian dollars (being the same currency that the Company uses in its financial statements).

Information in this Circular is provided as at May 27, 2021, except as otherwise indicated.

### IMPACT OF COVID-19

**This year, to proactively deal with the ongoing public health impact of the ongoing novel coronavirus disease pandemic (“COVID-19”), to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, and in order to comply with the measures imposed by the federal and provincial governments, shareholders of the Company are respectfully asked not to attend in person at the Meeting.**

**All shareholders of the Company are strongly encouraged to cast their vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Circular accompanying this Notice.** Shareholders are encouraged to listen to a live broadcast of the proceedings of the Meeting and a presentation by Justin Cochrane, the Company’s President & Chief Executive Officer, by way of conference call and audio webcast. Instructions and details on how to access the conference call and audio webcast will be made available on the Company’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com) several days prior to the Meeting.

The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including without limitation: (i) holding the Meeting virtually or solely by means of remote communication; (ii) changing the Meeting date and/or location; and (iii) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) as well as on our Company website at [www.carbonstreaming.com](http://www.carbonstreaming.com). We strongly recommend you check the Company’s website prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will not prepare or mail amended materials in respect of the Meeting.

**Particulars of Matters to be Acted Upon**

**Election of Directors**

*Overview*

The directors (“**Directors**”) of the Company are elected at each annual meeting and hold office until the next annual meeting or until their successors are appointed. The board of directors of the Company (the “**Board**”) currently consists of six Directors; however, approval of the holders (collectively, the “**Shareholders**” and each, a “**Shareholder**”) of the common shares in the capital of the Company (the “**Shares**”) will be sought to fix the number of Directors of the Company at six.

At the Meeting, the six persons named hereunder will be proposed for election as Directors of the Company (the “**Nominees**” and each, a “**Nominee**”). All but one of the Nominees currently serve on the Board and each has expressed his or her willingness to serve on the Board for another term.

The Board and management consider the election of each of the Nominees to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying proxy will vote the Shares represented by such form of proxy, properly executed, **FOR** the election of each of the Nominees whose names are set forth below. Management does not contemplate that any of the Nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve.

*Director Profiles*

Each of the six nominated Directors is profiled below, including his/her background and experience, areas of expertise, committee memberships, Share ownership and other public companies and board committees of which he/she is a member. Information concerning each such person is based upon information furnished by the individual Nominee.

<b>Justin Cochrane</b>	<b>Director Since:</b>	<b>Committee Membership:</b>
<b>Ontario, Canada</b>	N/A	None
	<b>Independent</b>	
<b>Areas of Expertise:</b>	<p>Mr. Cochrane, President and Chief Executive Officer of the Company, has 20 years of royalty and stream financing, M&amp;A and corporate finance experience. Mr. Cochrane is also the President and Chief Executive Officer of Nickel 28 Capital Corp. Mr. Cochrane was formerly the President, Chief Operating Officer and a director of Cobalt 27 Capital Corp. Prior to joining Cobalt 27 Capital Corp., he served as Executive Vice President and Head of Corporate Development for Sandstorm Gold Ltd. for five years. Mr. Cochrane's expertise is in the structuring, negotiation, execution and funding of royalty and stream financing contracts around the world, across dozens of projects, totaling over \$2 billion.</p> <p>Prior to Sandstorm, he spent nine years in investment banking and equity capital markets with National Bank Financial where he covered the resource, clean-tech and energy technology sectors. In addition, Mr. Cochrane is currently a board member of Nevada Copper Corp. Mr. Cochrane is a Chartered Financial Analyst and a registered and licensed security advisor in Canada.</p>	
<b>Principal Occupation:</b>		
President and Chief Executive Officer of the Company President and Chief Executive Officer of Nickel 28 Capital Corp.		
<b>Other Public Company Directorships:</b>	<b>Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>	
Nevada Copper Corp. (TSX: NCU)	<b>Shares:</b>	1,235,000
Nickel 28 Capital Corp. (TSXV: NKL)	<b>Warrants:</b>	1,235,000
	<b>Options:</b>	500,000
	<b>Restricted Share Units:</b>	500,000
<b>Maurice Swan</b>	<b>Director Since:</b>	<b>Committee Membership:</b>
<b>Ontario, Canada</b>	January 27, 2021	Audit Committee
	<b>Independent</b>	Compensation Committee Corporate Governance and Nominating Committee
<b>Areas of Expertise:</b>	<p>Mr. Swan, the Chairman of the Board of the Company, is a lawyer and is currently the General Counsel of Superior Gold Inc. (TSXV: SGI). Mr. Swan retired as a partner at Stikeman Elliott LLP in 2019, where he practiced corporate law for over 24 years with wide ranging experience, including extensive work in debt capital markets, securitization, corporate finance, and mergers and acquisitions, and with a particular focus on transactions in the global mining and metals sector. During his years of practice, Mr. Swan earned leading lawyer accolades from publications including Lexpert, International Finance &amp; Law Review, Who's Who Legal and Best Lawyers.</p>	
<b>Principal Occupation:</b>		
Lawyer		
<b>Other Public Company Directorships:</b>	<b>Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>	
Nickel 28 Capital Corp. (TSXV: NKL)	<b>Shares:</b>	160,000
	<b>Warrants:</b>	160,000
	<b>Options:</b>	150,000
	<b>Restricted Share Units:</b>	150,000

<b>R. Marc Bustin</b>	<b>Director Since:</b>	<b>Committee Membership:</b>
British Columbia, Canada	April 11, 2021	Audit Committee
	<b>Independent</b>	
<b>Areas of Expertise:</b>	<p>Dr. Bustin is Professor of Geology at the University of British Columbia, President of RMB Earth Science Consultants, and Chief Technical Officer for Renewable Geo Resources Ltd. Dr. Bustin has over 40 years’ experience as a researcher, consultant and officer in companies engaged in the fields of carbon capture and storage, mineral and fossil fuel exploitation, and renewable and alternate energy resource development. Dr. Bustin has served as a director, officer and technical advisor for a variety of large and small companies in Europe, Africa, North America, South America, Australia, New Zealand and Asia. 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. Leveson 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.</p>	
<b>Principal Occupation:</b>		
Professor of Geology at the University of British Columbia President of RMB Earth Science Consultants Chief Technical Officer for Renewable Geo Resources Ltd.		
<b>Other Public Company Directorships:</b>	<b>Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>	
BMEX Gold Inc. (TSXV: BMEX)	<b>Shares:</b>	60,000
	<b>Warrants:</b>	60,000
	<b>Options:</b>	50,000
	<b>Restricted Share Units:</b>	50,000
<b>Saurabh Handa</b>	<b>Director Since:</b>	<b>Committee Membership:</b>
British Columbia, Canada	April 11, 2021	Audit Committee
	<b>Independent</b>	Compensation Committee
<b>Areas of Expertise:</b>	<p>Mr. Handa is currently the Chief Financial Officer of Metalla Royalty &amp; Streaming Ltd., a TSX-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.</p>	
<b>Principal Occupation:</b>		
Chief Financial Officer of Metalla Royalty & Streaming Ltd.		
<b>Other Public Company Directorships:</b>	<b>Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>	
K92 Mining Inc. (TSX: KNT)	<b>Shares:</b>	25,000
	<b>Options:</b>	50,000
	<b>Restricted Share Units:</b>	50,000

<b>Andy Tester</b>	<b>Director Since:</b>	<b>Committee Membership:</b>
<b>Oregon, United States of America</b>	January 27, 2021	Compensation Committee
	<b>Independent Director</b>	Corporate Governance and Nominating Committee
<b>Areas of Expertise:</b>	Mr. Tester is a naturalist and labor advocate. Over the past 20 years, he has spent the majority of his time in the Pacific Northwest and Alaska working to raise awareness on the plight of endangered salmon and steelhead runs, through guiding and other efforts to bring people to the outdoors. He is a member of the International Longshore & Warehouse Union. Mr. Tester holds a B.A. from Eastern Oregon University.	
<b>Principal Occupation:</b>		
Corporate Director		
<b>Other Public Company Directorships:</b>	<b>Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>	
N/A	<b>Shares:</b>	Nil
	<b>Options:</b>	50,000
	<b>Restricted Share Units:</b>	50,000

<b>Jeanne Usonis</b>	<b>Director Since:</b>	<b>Committee Membership:</b>
<b>California, United States of America</b>	April 11, 2021	None
	<b>Non-Independent</b>	
<b>Areas of Expertise:</b>	Ms. Usonis has over 20 years of corporate finance and capital markets experience. She is a Director at Regent Advisors LLC, which provides advisory services for equity and debt financings, mergers and acquisitions and joint ventures. She has advised on several initial public offerings and reverse takeover transactions on Canadian and London stock exchanges. Previously, she worked at N M Rothschild & Sons (Washington) LLC where she assisted in the structuring and financing of natural resource projects in emerging market countries. Prior thereto, she worked at Salomon Smith Barney, responsible for structuring taxable and tax-exempt financings. Ms. Usonis graduated summa cum laude with a B.S. in Finance from Villanova University.	
<b>Principal Occupation:</b>		
Director at Regent Advisors LLC		
<b>Other Public Company Directorships:</b>	<b>Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>	
N/A	<b>Shares:</b>	3,100,000
	<b>Warrants:</b>	300,000
	<b>Options:</b>	100,000
	<b>Restricted Share Units:</b>	100,000

Notes:

(1) For details concerning Options and RSUs (each term as hereinafter defined in this Circular) held by each of the above persons and the year-end “at risk” value of their Options and/or RSUs, kindly refer to the specific disclosure contained within the “Executive Compensation” section of this Circular.

No proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and Executive Officers of the Company acting solely in such capacity.

### ***Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

To the knowledge of the Company, other than as set out below, no proposed Director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a Director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was the subject, while the proposed Director was acting in the capacity as Director, chief executive officer or chief financial officer of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed Director ceased to be a Director, chief executive officer or chief financial officer but which resulted from an event that occurred while the proposed Director was acting in the capacity as Director, chief executive officer or chief financial officer of such company; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, 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; or
- (c) has, within the 10 years before the date of this Circular, 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 proposed Director; or
- (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 penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

Saurabh Handa was a director of Banks Island Gold Ltd. (“**Banks Island**”) from June 7, 2011 to July 28, 2015. On January 8, 2016, Banks Island 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.

### ***Meeting Attendance***

Given that the Company was unlisted and did not carry on any active business, the Board and its committees did not have any formal meetings during the financial year ended June 30, 2020; rather, the Board and its committees conducted its activities by way of consent resolution under applicable corporate law.

## Appointment of Auditors

Baker Tilly WM LLP, Chartered Professional Accountants (“**Baker Tilly**”), is the auditor of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy, properly executed, **FOR** the appointment of Baker Tilly as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

Baker Tilly was appointed as auditor of the Company when, pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”), the Company requested that their former auditor, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants (“**DMCL**”), resign as the Company’s auditor. Pursuant to Section 204(4) of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), the Directors of the Company were entitled to fill any casual vacancy in the office of the auditor and accordingly appointed Baker Tilly as the Company’s auditor in the place and stead of DMCL until the close of the next annual meeting of the Company. There were no “reportable events” including disagreements, unresolved issues and consultations, as defined in NI 51-102, between the Company and DMCL and the resignation and the recommendation to appoint Baker Tilly was approved by the Audit Committee and the Board.

## Approval of Omnibus Long-Term Incentive Plan

The following is intended as a brief description of the Company’s long-term omnibus incentive plan (the “**LTIP**” or the “**Plan**”) and is qualified in its entirety by the full text of the LTIP, which is attached as Schedule “A” to this Circular.

The Company has adopted the LTIP as a means to provide incentive to eligible directors, officers, employees and consultants (“**Participants**”). There were no options outstanding under the LTIP as at June 30, 2020. The LTIP will facilitate granting of stock options (“**Options**”), restricted share units (“**RSUs**”) and performance share units (“**PSUs**”, and collectively with Options and RSUs, “**Awards**”) representing the right to receive one Share (and in the case of RSUs or PSUs, one Share, the cash equivalent of one Share, or a combination thereof) in accordance with the terms of the LTIP.

The purpose of the Plan is to advance the interests of the Company by: (i) providing Participants with additional incentives; (ii) encouraging stock ownership by such Participants; (iii) increasing the proprietary interest of Participants in the success of the Company; (iv) promoting growth and profitability of the Company; (v) encouraging Participants to take into account long-term corporate performance; (vi) rewarding Participants for sustained contributions to the Company and/or significant performance achievements of the Company; and (vii) enhancing the Company’s ability to attract, retain and motivate Participants. The LTIP is administered by the Board, and Awards are granted thereunder at the discretion of the Board to eligible Participants.

To be eligible to receive Awards under the LTIP, a Participant must be either a director, officer, employee, consultant, or an employee of a company providing management or other services to the Company or a subsidiary at the time the incentive is granted. However, persons providing investor relations services are not eligible to receive RSU or PSU awards.



The LTIP is a 10% rolling plan and the total number of Shares issuable upon exercise of all Awards under the LTIP cannot exceed 10% of the Company's issued and outstanding Shares on the date on which an Award is granted. The following is a summary of the material terms of the LTIP:

- (a) The total number of Shares reserved for issuance under all Awards to any one Participant in any 12-month period must not exceed 5% of the outstanding Shares at the time of grant.
- (b) The total number of Shares reserved for issuance under all RSUs and PSUs to any one Participant in any 12-month period must not exceed 1% of the outstanding Shares at the time of grant.
- (c) The total number of Shares reserved for issuance under all Awards to all non-executive directors must not exceed 1% of the Company's outstanding Shares at the time of grant.
- (d) The total number of Shares reserved for issuance under all Awards to any one consultant in any 12-month period must not exceed 2% of the outstanding Shares at the time of grant.
- (e) The total number of Shares reserved for issuance under all Stock Options to all persons providing investor relations activities in any 12-month period must not exceed 2% of the outstanding Shares at the time of grant, with no more than 25% of the Stock Options vesting in any three (3) month period.
- (f) The exercise price of a Stock Option must not be less than the discounted market price of the Company's Shares on the date of grant.
- (g) All Stock Options must expire not later than 10 years after the date of grant. However, should the expiry date fall within a trading blackout period (generally meaning circumstances where material information is not yet public), then within ten business days following the expiration of such blackout period.
- (h) Vesting of Stock Options shall be at the discretion of the Board, and will generally be subject to the Participant remaining as a director, or employed by or continuing to provide services to the Company.
- (i) RSU and PSU Awards ("**Unit Awards**") will be subject to such conditions, vesting provisions, and performance criteria as the Board may determine for each grant; and the Board shall determine whether each Unit Award shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the cash equivalent of one Share; or (iii) to elect to receive a combination of cash and Shares.
- (j) In the event of a change of control of the Company (including a take-over bid being made to the shareholders generally), all outstanding Awards may become exercisable, notwithstanding the vesting terms (but subject to performance criteria being met), subject to regulatory approval.
- (k) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan.

Unless the Board determines otherwise, the LTIP provides that Stock Options will vest as to one-third following each of the first, second and third anniversaries of the date of such grant.

The exercise price of any Stock Option shall be fixed by the Board when such option is granted, but shall be no less than the three-day volume weighted average trading price of the Shares on the NEO on the day prior to the date of grant (the “**Market Value**”).

A Stock Option shall be exercisable during a period established by the Board, which shall commence on the date of the grant and shall terminate no later than ten years after the date of granting the option, or such shorter period of time as the Board may determine. The LTIP provides that the exercise period shall automatically be extended if the date on which such option is scheduled to terminate shall fall during a black-out period. In such cases, the extended exercise period shall terminate ten business days following the last day of the blackout-period.

With respect to RSUs, unless otherwise approved by the Board and except as otherwise provided in a participant’s grant agreement or any other provision of the LTIP, RSUs will vest as to one-third each on the first, second and third anniversary date of their grant. With respect to PSUs, unless otherwise approved by the Board and except as otherwise provided in a Participant’s grant agreement or any other provision of the LTIP, PSUs will vest subject to performance and time vesting.

The following table describes the impact of certain events upon the rights of holders of Awards under the LTIP, including termination for cause, resignation, termination other than for cause, retirement and death, subject to the terms of a Participant’s employment agreement:

Event Provisions	Provisions
Termination for cause	Immediate forfeiture of all vested and unvested Awards.
Resignation	Forfeiture of all unvested Awards and the earlier of the original expiry date and 90 days after resignation, or such longer period as the Board may determine in its sole discretion.
Termination other than for cause	Subject to the terms of the grant or as determined by the Board, upon a Participant’s termination without cause, the number of Awards that may vest is subject to pro-ration over the applicable performance or vesting period.
Retirement	Upon the retirement of a Participant’s employment with the Company, any unvested Awards held as at the retirement date will continue to vest in accordance with its vesting schedule, and all vested Awards held at the retirement date may be exercised until the earlier of the expiry date of the Awards or one year following the retirement date; provided that, if the Participant breaches any post-employment restrictive covenants in favor of the Company (including non-competition or non- solicitation covenants), then any Awards held by such Participant, whether vested or unvested, will immediately expire.
Death	All unvested Awards will vest and may be exercised within 180 days after death.

In connection with a change of control of the Company, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity; provided that the Board may accelerate the vesting of Awards if: (i) the required steps to cause the conversion or exchange or replacement of Awards are impossible or impracticable to take or are not being taken by the parties required to take such steps; or (ii) the Company has entered into an agreement which, if completed, would result in a change of control and the counterparty or counterparties to such agreement require that all outstanding Awards be exercised immediately before the effective time of such transaction or terminated on or after the effective time of such transaction. If a Participant is terminated without cause or resigns for good reason during the 12 month period following a change of control, or after the Company has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Awards will immediately vest and may be exercised within 30 days of such date.

The Board may, in its sole discretion, suspend or terminate the LTIP at any time, or from time to time, amend, revise or discontinue the terms and conditions of the LTIP or of any Award granted under the LTIP and any grant agreement relating thereto, subject to any required regulatory and NEO approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP or as required by applicable laws.

The Board may amend the LTIP or any Award at any time without the consent of a participant; provided that such amendment shall (i) not adversely alter or impair any Award previously granted, except as permitted by the terms of the LTIP, (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the NEO, and (iii) be subject to shareholder approval, where required by law, the requirements of the NEO or the LTIP; provided, however, that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:

- amendments of a general housekeeping or clerical nature that, among others, clarify, correct or rectify any ambiguity, inconsistency, defective provision, error or omission in the LTIP;
- changes that alter, extend or accelerate the terms of exercise, vesting or settlement applicable to any Award (subject to NEO prior approval if in respect of Stock Options granted to persons who provide investor relations activities);
- a change to the assignability provisions under the LTIP;
- any amendment regarding the effect of termination of a participant's employment or engagement;
- any amendment to add or amend provisions relating to the granting of cash-settled Awards, provision of financial assistance or clawbacks;
- any amendment regarding the administration of the LTIP;
- any amendment necessary to comply with applicable law or the requirements of the NEO or any other regulatory body (provided, however, that the NEO may require shareholder approval of any such amendments); and
- any other amendment that does not require the approval of the shareholders, provided that the alteration, amendment or variance does not:
  - increase the maximum number of Shares issuable under the LTIP, other than pursuant to the adjustment provisions;
  - reduce the exercise price of the Awards;
  - introduce non-employee directors as eligible participants on a discretionary basis or increases the existing limits imposed on non-employee director participation;
  - remove or exceed the insider participation limit; or
  - amend the amendment provisions of the LTIP.

### ***Approval by Shareholders***

The Company established its current Stock Option Plan (as defined below) in 2011 with the approval of the shareholders. Accordingly, the Company considers it appropriate to obtain approval of a majority of shareholders of the LTIP. This approval of the LTIP will be obtained on a disinterested basis, with the votes attached to the Shares beneficially owned or controlled by each of the directors and officers of the Company excluded from such vote.

The Board and management consider the approval of the LTIP to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy, properly executed, **FOR** the approval of the LTIP.

The text of the ordinary resolution approving the LTIP is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting.

**“RESOLVED, with or without amendment, that:**

1. The Company’s Omnibus Long-Term Incentive Plan (the “**LTIP**”) as set forth in Schedule “A” to the Company’s Management Information Circular dated May 28, 2021, be and is hereby approved, ratified and confirmed;
2. The board of directors of the Company be authorized, in its discretion, to administer the LTIP and to amend or modify the LTIP in accordance with its terms and conditions to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges or so as to meet industry standards; and
3. Any Director or officer of the Company be and is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such Director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution.”

### **Other Matters**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of this Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

## **General Proxy Information**

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### **Appointment of Proxyholder**

The purpose of a proxy is to designate persons who will vote the proxy on behalf of a Shareholder in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the “**Management Proxyholders**”).

A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person’s name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.

### **Voting by Proxy**

Only registered shareholders (“**Registered Shareholders**”) or duly appointed proxyholders are permitted to vote at the Meeting. Shares (as hereinafter defined) represented by a properly executed proxy will be voted for or against or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

### **Completion and Return of Proxy**

Completed forms of proxy must be deposited at the office of the Company’s registrar and transfer agent, Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department or online at <https://login.odysseytrust.com/pxlogin>, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the Chair of the Meeting elects to exercise his discretion to accept proxies received subsequently.

**This year, to proactively deal with the unprecedented public health impact of the ongoing COVID-19 outbreak, Registered Shareholders of the Company are respectfully asked not to attend in person at the Meeting. The Company will be strictly restricting physical access to the Meeting and only registered shareholders and formally appointed proxy holders will be entitled to attend. In order to comply with government orders concerning the maximum size of public gatherings and required social distancing parameters, the Company may be unable to admit shareholders to the Meeting. See also “Impact of COVID-19” on page 3 of this Circular.**

If you have any questions about the information contained in this Information Circular or require any assistance in completing your form of proxy, please contact the Company by phone at +1 647 846 7765 or by e-mail at [info@carbonstreaming.com](mailto:info@carbonstreaming.com).

### **Non-Registered Holders**

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Registered Shareholders are holders whose names appear on the Share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are “non-registered” Shareholders (“**Non-Registered Shareholders**”) because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of their shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not object (called “**NOBOs**” for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to National Instrument 54-101— *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Company has decided to take advantage of those provisions of NI 54-101 that allow it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form from the Company’s transfer agent, Odyssey Trust Company. These voting instruction forms are to be completed and returned to Computershare in the envelope provided or by facsimile. Odyssey Trust Company will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by voting instruction forms they receive. Alternatively, NOBOs may vote following the instructions on the voting instruction form, via the internet or by phone.

With respect to OBOs, in accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting, this Circular, the form of proxy or voting instruction form and the supplemental mailing list request card (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow; or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company, Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department or online at <https://login.odysseytrust.com/pxlogin>.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of their Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person’s name in the blank space provided. Shares held by an Intermediary can only be voted by the Intermediary (for, withheld or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting Shares. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

If a Non-Registered Shareholder does not specify a choice and the Non-Registered Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

**This year, to proactively deal with the unprecedented public health impact of the ongoing COVID-19 outbreak, Non-Registered Shareholders of the Company are respectfully asked not to attend in person at the Meeting. The Company will be strictly restricting physical access to the Meeting and only registered shareholders and formally appointed proxy holders will be entitled to attend. In order to comply with government orders concerning the maximum size of public gatherings and required social distancing parameters, the Company may be unable to admit shareholders to the Meeting. See also “Impact of COVID-19” on page 3 of this Circular.**

**Revocability of Proxy**

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder, their attorney authorized in writing or, if the Registered Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournments or postponements thereof, or with the Chair of the Meeting on the day of the Meeting. Only Registered Shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their Intermediary to revoke the proxy on their behalf.

**Voting Securities and Principal Holders Thereof**

The Company is authorized to issue an unlimited number of Shares, of which 98,639,237 Shares are issued and outstanding as of May 19, 2021. Persons who are Registered Shareholders at the close of business on May 19, 2021 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, as of the date hereof, the only persons, firms or companies who beneficially own, or control or direct, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, are as follows:

<b>Name</b>	<b>Number of Shares (1)(2)</b>	<b>Percentage(2)</b>
Osisko Gold Royalties Ltd	6,750,000 Shares	12.2%

Notes:

- (1) The information as to shares owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information.
- (2) On a partially diluted basis after giving effect to the exercise of Warrants. Osisko Gold Royalties Ltd currently has beneficial ownership of, or control or direction over, an aggregate of 6,750,000 Shares and 6,000,000 Warrants, representing 6.8% of the issued and outstanding Shares assuming no exercise of such Warrants.



Executive Compensation

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Overview

This section presents information with respect to the Company’s executive compensation based on Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

Named Executive Officers

For the purposes of the Executive Compensation section of this Circular in respect of the financial year ended June 30, 2020, the following two individuals included in the “*Summary Compensation Table*” and related tables below are referred to as the “**Named Executive Officers**” or “**NEOs**”:

Name	Title
Richard Redfern	Former Chief Executive Officer (“ <b>CEO</b> ”) of the Company
Mark Gelmon	Former Chief Financial Officer (“ <b>CFO</b> ”) of the Company

Compensation Discussion and Analysis and Oversight of Compensation

Given that the Company was unlisted and did not carry on any active business during the financial year ended June 30, 2020, the Board did not have a Compensation Committee nor did the Board have a formal process with respect to director and NEO compensation; rather, the Board and its committees conducted its activities by way of consent resolution under applicable corporate law.

The following discussion and analysis provides an overview of the process pursuant to which the Board and the Compensation Committee of the Board currently determines director and NEO compensation.

Overview

The Company’s long-term corporate strategy is central to all of the Company’s business decisions, including around executive compensation. The Company’s compensation programs are designed to attract, motivate and retain high caliber executives and align their interests with sustainable profitability and growth of the Company over the long-term in a manner which is fair and reasonable to the shareholders. In this regard, a compensation committee (the “**Compensation Committee**”) has been established by the Board to assist the Board in fulfilling its responsibilities relating to compensation matters, including the evaluation and approval of the Company’s compensation plans, policies and programs. The Compensation Committee ensures that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance by executive officers and other members of senior management in a manner that will enhance the sustainable profitability and growth of the Company.

### ***Executive Compensation Policies and Programs***

The Company's current compensation policies and programs for executive officers consists of a base salary/compensation, cash bonuses, Options and RSUs, and may include other customary employment benefits. As a general rule for establishing compensation for NEOs and executive officers, the Board considers the executive's performance, experience and position within the Company and the recommendations of the Chief Executive Officer, or in the case of the Chief Executive Officer, the recommendation of the Chairman of the Board. The Compensation Committee uses its discretion to recommend compensation for executive officers at levels warranted by external, internal and individual circumstances. Compensation of executive officers of the Company is reviewed on an annual basis and relies on, among other things, discussion of formal and informal objectives, as well as criteria, analysis and recommendations of external advisors and consultants. Options and RSUs are expected to be granted pursuant to the LTIP at the discretion of the Compensation Committee. Options and RSUs granted pursuant to the LTIP will generally vest in equal amounts over three-year periods or as otherwise determined by the Compensation Committee.

In the course of its deliberations, the Board considers the implications of the risks associated with adopting the compensation practices in place from time to time and detect actions of management and employees of the Company that would constitute or lead to inappropriate or excessive risks. The Company does not currently have a policy that would prohibit the NEOs or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to, or held by, these individuals.

#### ***Base Salary***

The objectives of the base salary are to provide compensation in accord with market value, and to acknowledge the competencies and skills of individuals. The base salaries paid to the NEOs are reviewed annually by the Board as part of the annual review of executive officers. The base salaries paid to the NEOs are not subject to the achievement of any performance criteria. The decision whether to grant an increase to the executive's base salary and the amount of any such increase are in the sole discretion of the Board.

#### ***Incentive Bonuses***

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. In determining the amounts to be awarded to the NEOs as incentive bonus compensation, the Board and the Compensation Committee give consideration to several objective and subjective factors as they deem appropriate from time to time. While the Board and the Compensation Committee generally review and take into account the compensation of other royalty and streaming companies, no specific peer group is expected to be used to determine the quantum of incentive bonuses, and no specific weight is expected to be assigned to any particular performance criterion or goal. The process of determining the amount to be paid for this element of each NEO's overall compensation is expected to be based on the achievement of certain milestones, all of which are expected to be contemplated in the Company's annual business plan. The achievement of these significant milestones is expected to significantly affect the incentive bonus compensation granted to the NEOs of the Company. In the financial year ended June 30, 2020, no incentive bonuses were paid to NEOs of the Company as the Board is focused on preserving the Company's cash balance. As a result, NEOs of the Company were granted Security-Based Awards.

#### ***Security-Based Awards***

The objectives of the LTIP are to (i) increase participants' interest in the Company's welfare; (ii) provide incentives for participants to continue their services; (iii) reward participants for their performance of services, and (iv) provide a means through which the Company may attract and retain people to enter its employment. The Board and the Compensation Committee is expected to consider the same factors and criteria as described in the paragraph above (in respect of the cash incentive bonuses awarded to the NEOs of the Company) in determining the amounts to be awarded to the NEOs as security-based incentive bonus compensation.

## Summary of Compensation

The following table sets forth all annual and long-term compensation for services paid to or earned by the NEOs and directors for the financial year ended June 30, 2020:

**Table of compensation excluding compensation securities**

Name and position	Period Ended (m/d/y)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compen- sation (\$)	Total compen- sation (\$)
<b>Richard Redfern</b> <sup>(1)</sup>	06/30/20	7,500	nil	nil	nil	nil	7,500
<i>Former CEO and Former Director</i>	06/30/19	nil	nil	nil	nil	nil	nil
<b>Mark Gelmon</b> <sup>(2)</sup>	06/30/20	15,000	nil	nil	nil	nil	15,000
<i>Former CFO</i>	06/30/19	n/a	n/a	n/a	n/a	n/a	n/a
<b>Ming Jang</b> <sup>(3)</sup>	06/30/20	Nil	nil	nil	nil	nil	nil
<i>Former Director</i>	06/30/19	n/a	n/a	n/a	n/a	n/a	n/a
<b>Edgar Froese</b> <sup>(4)</sup>	06/30/20	nil	nil	nil	nil	nil	nil
<i>Former Director</i>	06/30/19	n/a	n/a	n/a	n/a	n/a	n/a
<b>Colin Watt</b> <sup>(5)</sup>	06/30/20	nil	nil	nil	nil	nil	nil
<i>Former Director</i>	06/30/19	n/a	n/a	n/a	n/a	n/a	n/a

### Notes:

- (1) Appointed as a director and CEO on September 22, 2004. Formerly served as interim CFO. Resigned as CEO and director on August 4 2020. At June 30, 2020, the Company owed Mr. Redfern \$nil (2019 - 179,155) in respect of prior services provided to or payments made on behalf of the Company recorded as due to related parties.
- (2) Appointed CFO on May 21, 2020. Resigned as CFO on February 8, 2021.
- (3) Appointed director on May 21, 2020. Resigned as director on February 8, 2021.
- (4) Appointed director on May 21, 2020. Resigned as director on February 8, 2021.
- (5) Appointed director on May 21, 2020 and acted as Designated CEO following Mr. Redfern's resignation. Resigned as director on February 8, 2021.

The only compensation plan available to the Company for its NEO and director during the financial years ended June 30, 2020 and June 30, 2019 was the Stock Option Plan (as defined herein). During those financial years, the Company did not grant any stock options to its director or NEOs for services provided or to be provided, directly or indirectly, to the Company. During the financial year ended June 30, 2020, no incentive stock options were exercised by the NEOs or directors (nil as at June 30, 2019). As at June 30, 2020, there were no stock options outstanding (nil as of June 30, 2019).

The Company has no other securities-based compensation structures other than the Stock Option Plan and the LTIP.

### External Management Companies

None of the Named Executive Officers provide their services through external management companies.

### ***Existing Equity-Based Compensation Plans***

As of the date of this Circular, the only stock option plans or other incentive plans the Company currently has in place are the LTIP and the Stock Option Plan. Other than the LTIP and the Stock Option Plan, the Company has no other plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

#### ***LTIP***

For a summary of the LTIP, see *“Particulars of Matters to be Acted Upon – Approval of Omnibus Long-Term Incentive Plan”*.

#### ***Stock Option Plan***

The Company established its existing stock option plan in 2011 with the approval of the shareholders (the **“Stock Option Plan”**). The following is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which was attached as a schedule to the Company’s management information circular dated April 24, 2020 as filed on SEDAR. The Stock Option Plan was last approved by shareholders of the Company at its last annual and special meeting held on May 21, 2020.

The Company intends to replace the Stock Option Plan with the LTIP. See *“Particulars of Matters to be Acted Upon – Approval of Omnibus Long-Term Incentive Plan”*.

The Stock Option Plan provides that the terms of the options and the option price may be fixed by the Board subject to price restrictions and other requirements of a stock exchange. The Stock Option Plan also provides that no option may be granted to any person except upon the recommendation of the Board, and only directors, officers, employees, consultants and other key personnel of the Company or any subsidiary may receive options. Options granted under the Stock Option Plan may not be exercisable for a period longer than five years and the exercise price must be paid in full upon exercise of the option.

The Stock Option Plan is subject to the additional following restrictions:

- (a) the Company shall not grant options to any one person in any 12 month period which could, when exercised, result in the issuance of common shares exceeding 5% of the issued and outstanding common shares of the Company;
- (b) the Company shall not grant options to any one consultant in any 12 month period which could, when exercised, result in the issuance of common shares exceeding 2% of the issued and outstanding common shares of the Company;
- (c) the Company shall not grant options in any 12 month period, to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of common shares exceeding, in the aggregate, 2% of the issued and outstanding common shares of the Company;
- (d) if any option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares in respect of which the option expired or terminated shall again be available for the purposes of the Stock Option Plan;
- (e) if an option holder dies, any vested option held by him or her at the date of death will become exercisable by the optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;

- (f) if an option holder ceases to be a director, officer or employed by or provide services to the Company, other than by reason of death, the options granted will expire on the 90th day following the date the option holder ceases to be affiliated with the Company, subject to any regulatory requirements;
- (g) all options granted to consultants performing investor relations activities will vest in stages over 12 months with no more than one-quarter of the options vesting in any three month period; and
- (h) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Stock Option Plan with respect to all common shares under the Stock Option Plan in respect of options which have not yet been granted under the Stock Option Plan, subject to regulatory approval.

***Employment, Consulting and Management Agreements***

There were no agreements or arrangements in place under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the company that were:

- (a) performed by a director or named executive officer; or
- (b) performed by any other party but are services typically provided by a director or a named executive officer, other than the reimbursement of expenses any director or NEO may have incurred on behalf of the Company.

In particular, there were no agreements or arrangement containing provisions with respect to change of control, severance, termination or constructive dismissal.

***Pension disclosure***

The Company does not provide any form of pension to any of its directors or Named Executive Officers.

***Indebtedness of Directors and Senior Officers***

None of the directors or senior officers of the Company or any associates or affiliates of the Company are or have been indebted to the Company at any time since the beginning of the last completed financial period of the Company.

### Corporate Governance Overview

Given that the Company was unlisted and did not carry on any active business during the financial year ended June 30, 2020, the Board did not have any formal policies with respect to corporate governance matters; rather, the Board and its committees conducted its activities by way of consent resolution under applicable corporate law.

The following overview of the Company's corporate governance policies for periods subsequent to the financial year ended June 30, 2020 has been prepared in accordance with the requirements of both National Policy 58-201 - *Corporate Governance Guidelines* (the "**Governance Guidelines**") and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (the "**Governance Disclosure Rule**") The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of Board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its security holders for the purpose of electing Directors, specified disclosure of its corporate governance practices must be included in its management information circular.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its responsibilities directly and through the Audit Committee at regularly scheduled meetings or as required. The Board meets at least once every quarter to review the Company's business operations, corporate governance matters, financial results and other items. The frequency of meetings may be increased, and the nature of the agenda items may be changed, depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The Directors are kept informed of the Company's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

### Board of Directors

#### *Role of the Board*

The duties and responsibilities of the Board are to supervise the management of the business and affairs of the Company and to act with a view towards the best interests of the Company. The Board is responsible for the oversight and review of the development of, among other things, the following matters:

- the strategic planning process of the Company;
- an annual strategic plan for the Company which takes into consideration, among other things, the risks and opportunities of the Company's business;
- identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- annual capital and operating budgets which support the Company's ability to meet its strategic objectives;
- material acquisitions and divestitures;
- succession planning, including appointing, training and monitoring the development of senior management;
- a communications policy for the Company to facilitate communications with investors and other interested parties;
- a reporting system which accurately measures the Company's performance against its business plan; and
- the integrity of the Company's internal control and management information systems.

The operations of the Company do not support a large Board and the Board has determined that the proposed constitution of the Board following completion of the Meeting is appropriate for the Company’s current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members.

***Independence of the Board***

The Company’s Board is currently composed of five Directors: Maurice Swan, Saurabh Handa, Jeanne Usonis, R. Marc Bustin and Andy Tester. Following the Meeting, it is expected that the Board will be composed of six Directors: Justin Cochrane, Maurice Swan, Saurabh Handa, Jeanne Usonis, R. Marc Bustin and Andy Tester. The Board facilitates its exercise of independent supervision over management by ensuring sufficient representation by Directors independent of management.

The Governance Guidelines suggest that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest, business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, The Governance Guidelines suggests that the board of directors should include a number of directors who do not have interests in either the company or any such significant shareholder. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

The independent Directors may meet separately from the non-independent Directors, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent Directors. Maurice Swan, an independent Director, acts as the chairman with respect to the conduct of Board meetings. Given the relative size of the Company’s activities, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management. Kindly refer to the below independence chart in respect of the proposed Board following the Meeting:

<b>Director/Nominee</b>	<b>Independent</b>	<b>Reason, if not independent</b>
Maurice Swan	Yes	N/A
Justin Cochrane	No	President and CEO of the Company
Saurabh Handa	Yes	N/A
Jeanne Usonis	No	Provides consulting services to the Company
R. Marc Bustin	Yes	N/A
Andy Tester	Yes	N/A

The Board has considered the relationships of each of the Directors to the Company and determined that four of the five members of the current Board, all of whom are Nominees, qualify as independent Directors. The Board reviews independence in light of the requirements of the Governance Guidelines and the Governance Disclosure Rule. None of the independent Directors has a material relationship with the Company which could impact their ability to make independent decisions.

Given that the Company was unlisted and did not carry on any active business, the Board and its committees did not have any formal meetings during the financial year ended June 30, 2020; rather, the Board and its committees conducted its activities by way of consent resolution under applicable corporate law. In all subsequent periods, the independent Directors will be afforded opportunities to hold formal and informal in camera session, during which sessions non-independent Directors/members of management are excused. The Board will also excuse members of management and conflicted Directors from all or a portion of any such meeting(s) where a conflict or potential conflict of interest arises or where otherwise deemed appropriate.

#### ***Board Mandate***

The Board, either directly or through its committees, is responsible for the supervision of management of the Company's business and affairs with the objective of enhancing Shareholder value. The Board intends to adopt a formal mandate during 2021.

#### ***Position Descriptions***

The Board intends to adopt written position descriptions for the Chair, the Lead Director and for the chair of each of the Board's committees with respect to the conduct of meetings of the Board and meetings of its committees. The Chair, Lead Director and committee chair's role and responsibilities in each instance will include reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The Board will also develop a written position description for the CEO. The CEO's general roles and responsibilities will be commensurate with the position of CEO of a company comparable in business and size to the Company including overseeing all operations of the Company, and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

#### ***Participation of Directors in Other Reporting Issuers***

The participation of the Directors in other reporting issuers is described in each Director profile provided under "*Particulars of Matters to be Acted Upon - Election of Directors*" in this Circular. The Corporate Governance and Nominating Committee will review and assess the number of outside directorships and executive positions held by the Company's Directors and has considered whether each Director in question will be reasonably able to meet his/her duties in light of the responsibilities associated with fulfilling his/her duties as a Director of the Company as well as whether conflicts of interest will arise on as a result of any outside directorships or outside executive positions. Having regard to their qualifications, attendance record and valuable contribution as members of the Company's Board/committees, the Board has determined that none of the proposed Nominees for Director are over boarded as a result of their outside directorships.



### ***Orientation and Continuing Education***

The Corporate Governance and Nominating Committee is responsible for the orientation and continuing education of the members of the Board. As new Directors join the Board, they are provided with, among other things, corporate policies, historical information about the Company, information on the Company's performance and its strategic plan and an outline of the general duties and responsibilities entailed in carrying out their duties.

The Company encourages Directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each Director of the Company has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a Director.

### ***Ethical Business Conduct***

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. In connection with its commitment to ensuring the ethical operation of the Company, the Board intends to adopt a code of business conduct and ethics in 2021, a copy of which will be made available under the Company's profile at [www.sedar.com](http://www.sedar.com). Any reports of variance from the code of business conduct and ethics are to be reported to the Board.

The Board will monitor compliance with the code of business conduct and ethics through reports of management to the Board and requires that all Directors, officers and designated employees provide an annual certification of compliance with the code. A Director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the Director becomes aware of it. In situations where a Director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such Director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the BCBCA regarding conflicts of interest.

The Board also intends to adopt a whistleblower policy to provide employees, clients and contractors with the ability to report, on a confidential and anonymous basis, any violation within the Company including (but not limited to), criminal conduct, falsification of financial records or unethical conduct. The Board believes that providing a forum for employees, clients, contractors, officers and Directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.

### ***Board Assessments***

To date, a formal process of assessing the Board and its committees, or the independent Directors has not been implemented, and the Board has satisfied itself that the Board, its committees and individual Directors are performing effectively through informal discussions. The Corporate Governance and Nominating Committee continues to review proposed procedures to evaluate the performance and effectiveness of the Board, its committees and the contributions of individual Directors.

The Corporate Governance and Nominating Committee will also take reasonable steps to evaluate and assess, on an annual basis, Directors' performance and the effectiveness of the Board, its committees, the individual Directors, the Chair and the committee chairs. The assessment will address, among other things, individual Director independence, individual Director and overall Board skills and individual Director financial literacy. The Board will continue to receive and consider the recommendations from the Corporate Governance and Nominating Committee regarding the results of such evaluations.

### ***Majority Voting Policy***

The Company intends to adopt a majority voting policy which will require that any nominee for Director who receives a greater number of votes withheld than for his or her election shall tender his or her resignation to the chair of the Board following the meeting of shareholders at which the Directors were elected. This policy will apply only to uncontested elections, meaning elections where the number of nominees for Director is equal to the number of Directors being elected. The Corporate Governance and Nominating Committee and the Board shall consider the resignation, and whether or not it should be accepted. In doing so, the Corporate Governance and Nominating Committee will consider any stated reasons as to why shareholders withheld votes from the election of the relevant Director, continued compliance with applicable corporate and securities laws, if the Director is a key member of an established, active special committee which has a defined term or mandate and accepting the resignation of such Director would jeopardize the achievement of the special committee's mandate, and any other factors that the members of the Corporate Governance and Nominating Committee consider relevant. The nominee shall not participate in any committee or Board deliberations pertaining to the consideration of the resignation. Resignations are expected to be promptly accepted except in situations where extraordinary circumstances warrant the applicable Director continuing to serve as a member of the Board. The Board shall disclose its election decision, via press release, within 90 days of the applicable meeting at which Directors were elected. If a resignation is accepted, the Board may appoint a new Director to fill the vacancy created by the resignation. If a Director nominee that is an employee of the Company receives a greater number of votes withheld than in favour during an uncontested election of Directors and is required to tender his or her resignation as Director pursuant to the majority voting policy, then to the extent that no events or circumstances have otherwise occurred that would be grounds for termination for cause, such individual may opt to be deemed to have been terminated from his or her employment without cause and be entitled to the rights and benefits arising under the terms of his or her employment agreement or that may otherwise arise pursuant to applicable laws.

### ***Director Term Limits and Board Renewal***

The Board has not adopted Director term limits or other mechanisms of board renewal because:

- having long standing Directors on its Board does not negatively impact board effectiveness and instead contributes to boardroom dynamics such that the Company has for many years had a consistently high performing Board;
- the imposition of Director term limits implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination;
- it is important to retain Directors who hold significant investments in the Company, such that their interests are aligned with the interests of the shareholders;
- it is important to ensure that Directors with significant and unique business experience in the Company's industry are retained;
- Directors with the level of understanding of the Company's business, history and culture acquired through long service on the Board provide additional value; and
- term limits have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and thereby may provide an increasing contribution to the Board as a whole.

### ***Board and Executive Leadership***

#### ***Role of the CEO***

The CEO has overall responsibility for providing leadership and vision to develop business plans that meet the Company's corporate objectives and day-to-day management of the operations of the Company. The CEO is tasked with ensuring that the Company is effectively carrying out the strategic plan approved by the Board, developing and monitoring key business risks and ensuring that the Company has appropriate policies and procedures in place to ensure the accuracy, completeness, integrity and appropriate disclosure of the financial statements and other financial information of the Company and, together with the CFO, he is responsible for establishing and maintaining appropriate internal controls over financial reporting, disclosure controls and procedures and, as required, processes for the certification of public disclosure documents. The CEO is the Company's principal spokesperson to the media, investors and the public.

#### ***Role of the Chair***

The Board has appointed Maurice Swan, an independent member of the Board, as the Chair of the Board. Mr. Swan's primary roles are to chair all meetings of the Board and shareholders and to manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities. These responsibilities include setting the meeting agendas, ensuring that the Board works together as a cohesive team with open communication and assisting the Board, the committees of the Board, individual Directors and the Company's senior officers in understanding and discharging their obligations under the Company's system of corporate governance.

### ***Expectations of Management***

The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

### ***Nomination of Directors***

The Company does not have a stand-alone nomination committee. The Corporate Governance and Nominating Committee has responsibility for leading the process for identifying and recruiting potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives in the streaming and royalty sector and carbon markets are consulted for possible candidates.

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources, management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

### ***Compensation of Directors and Officers***

Please refer to the comprehensive discussion contained within the *"Executive Compensation — Compensation Discussion and Analysis and Oversight of Compensation"* section of this Circular for information regarding compensation of the Company's NEOs.

As previously discussed in this Circular, the Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as a consultant or expert. For specific details regarding compensation of the Company's Directors, please refer to the *"Executive Compensation — Compensation Discussion and Analysis and Oversight of Compensation – Summary of Compensation"* section of this Circular.

### ***Diversity Policy and Representation of Women on the Board***

The Company is committed to creating and maintaining a culture of workplace diversity. Management of the Company will promote a work environment that values and utilizes the contributions of women and men, equally, with a variety of backgrounds, experiences and perspectives. The Board will monitor the Company's performance in meeting the standards outlined in a diversity policy that is intended to be adopted in 2021, which will include an annual review of any diversity initiatives established by management and the Board and the progress in achieving them. The Board will monitor the effectiveness of such diversity policy through ongoing discussions with management and review of diversity within the Company at both the Board and employee level.

As at the date of this Circular, there is one female Director on the Board (20%); assuming the election of all Directors at the Meeting, there will be one female Director on the Board (16%). The Company has not adopted formal targets regarding the number of women to be elected to the Board or to be appointed to executive officer positions and the Company does not have written policies regarding the identification and nomination of female Director candidates for election to the Board.

The Corporate Governance and Nominating Committee is focused on finding the most qualified individuals available with skills and experience that will complement the Board and assist it in providing strong stewardship for the Company, with gender being only one of many factors taken into consideration when evaluating individuals as potential Directors. The Company is similarly focused on seeking the most qualified individuals with skills and experience that will be of greatest benefit to the Company, with gender being only one of many factors taken into consideration when evaluating individuals for senior management positions. This approach is believed to be in the best interests of the Company and its stakeholders.

## **Committee Information**

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The Company has three committees at present, being the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. As the Directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of Directors, the Board has determined that any other additional standing committees are not necessary at this stage of the Company's development.

### **Audit Committee**

#### ***Audit Committee Charter***

The charter of the Audit Committee is attached to this Circular as Schedule "B".

#### ***Composition of the Audit Committee and Independence***

During the financial year ended June 30, 2020, the Audit Committee of the Company was comprised of Colin Watt, Edgar Froese and Ming Jang, each of whom were independent Directors of the Company within the meaning of National Instrument 52-110 – *Audit Committees* ("NI 52-110") and each of whom were financially literate.

Following the resignation of Colin Watt, Edgar Froese and Ming Jang as Directors of the Company during 2021, the Audit Committee was reconstituted and is presently comprised of Saurabh Handa (Chair), Maurice Swan and R. Marc Bustin. All current members of the Audit Committee are independent Directors of the Company within the meaning of NI 52-110 and all current members of the Audit Committee are financially literate. Going forward, the members of the Audit Committee will be elected by the Board at its first meeting following each annual shareholders' meeting to serve one-year terms and are permitted to serve an unlimited number of consecutive terms.

#### ***Relevant Education and Experience***

##### ***Current Audit Committee***

The current members of the Audit Committee have the following education and experience that is relevant to the performance of his or her responsibilities as an audit committee member:

*Saurabh Handa (Chair).* Mr. Handa is currently the Chief Financial Officer for Metalla Royalty & Streaming Ltd., a TSX-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.

*Maurice Swan.* Mr. Swan is a lawyer and is General Counsel of Superior Gold Inc. Previously, he was a partner at Stikeman Elliott LLP. Mr. Swan practiced corporate law at Stikeman Elliott LLP for over 24 years with wide ranging experience, including extensive work in debt capital markets, securitization, corporate finance, and mergers and acquisitions, and with a particular focus on transactions in the global mining and metals sector. Mr. Swan is currently a board member of Nickel 28 Capital Corp. Mr. Swan earned leading lawyer accolades from publications including Lexpert, International Finance & Law Review, Who's Who Legal and Best Lawyers.

*R. Marc Bustin.* Dr. Bustin is Professor of Geology at the University of British Columbia, President of RMB Earth Science Consultants, and Chief Technical Officer for Renewable Geo Resources Ltd. Dr. Bustin has over 40 years' experience as a researcher, consultant and officer in companies engaged in the fields of carbon capture and storage, mineral and fossil fuel exploitation, and renewable and alternate energy resource development. Dr. Bustin has served as a director, officer and technical advisor for a variety of large and small companies in Europe, Africa, North America, South America, Australia, New Zealand and Asia. 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.

#### *Former Audit Committee*

The former members of the Audit Committee had the following education and experience that is relevant to the performance of his or her responsibilities as an audit committee member:

*Colin Watt.* Mr. Watt has over 20 years of experience as a director and/or officer of several public companies listed on the TSX and TSXV. He has been the President of Squall Capital Corp. since February 1997, a private consulting company which specializes in financing, restructuring and providing management services to early stage public and private companies. Mr. Watt holds a Bachelor of Commerce (Finance) from the University of British Columbia (1993).

*Edgar Froese.* Mr. Froese is currently the CEO and a director of Fibresources Corporation, a public company listed on the NEX board of the TSXV. Mr. Froese has 22 years of experience as a public company director and officer, having founded Cinemage Capital Corp. as a Capital Pool Company in 1998 on the Alberta Stock Exchange, which progressed to the TSX Venture Exchange through the acquisition in 2001 of an Internet technology company. Mr. Froese has also been the president of several technology companies and Principal and Promoter of a number of venture capital companies raising private equity capital. He holds a Bachelor of Science Degree (1989) and a Bachelor of Fine Arts Degree (1990) from the University of British Columbia.

*Ming Jang.* Mr. Jang has over 20 years of experience as a director and/or officer of a number of public companies listed on the TSXV and the Canadian Securities Exchange. Mr. Jang serves as the President of MJJ & Associates Consulting Ltd., a private company that provides accounting services to private and public companies. Mr. Jang is also currently the CFO of Canadian Imperial Venture Corp., a TSXV listed company, and CFO and Intigold Mines Ltd., a public company formerly listed on the TSXV. Mr. Jang is a Chartered Professional Accountant (since 2000).

*Audit Committee Oversight*

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

*Reliance on Certain Exemptions*

At no time has the Company relied on any exemption contained in NI 52-110, other than that which exempts “venture issuers” from the requirements regarding the composition of the Audit Committee and certain disclosure obligations.

*Pre-Approval Policies and Procedures*

The Committee has not adopted specific policies and procedures for the engagement of the auditor to provided non-audit services (see “*External Auditor Service Fees (By Category)*” below). Rather, it determines if the auditors can or will provide such service and seeks competitive pricing quotes.

*External Auditor Service Fees (By Category)*

The aggregate fees billed by our external auditors for audit and other fees for each of the two most recently completed financial periods ended June 30, 2020 were as follows:

<u>Period Ended</u>	<u>Audit Fees</u>	<u>Audit Related Fees<sup>1</sup></u>	<u>Tax Fees<sup>2</sup></u>	<u>All Other Fees<sup>3</sup></u>
June 30, 2020	\$6,000	nil	nil	nil
June 30, 2019	\$8,000	nil	nil	nil

- Notes:
- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “Audit Fees”.
  - (2) Fees charged for tax compliance, tax advice and tax planning services.
  - (3) Fees for services other than disclosed in any other column.

**Compensation Committee**

During the financial year ended June 30, 2020, the Company did not have a Compensation Committee. In 2021, the Compensation Committee was formed by the Board and is presently comprised of Maurice Swan (Chair), Andy Tester and Saurabh Handa. Each of the members of the Compensation Committee is independent within the meaning of the Corporate Governance Rule.

The Compensation Committee’s mandate is to, among other things, assess and formulate and make recommendations to the Board in respect of compensation issues related to the Company’s officers and employees and compensation issues relating to the Directors. In addition to any other duties and authorities delegated to it by the Board from time to time, the Compensation Committee’s mandate is expected to include:

- reviewing and recommending to the Board, on a non-binding basis, changes to its mandate, as considered appropriate from time to time;

- reviewing and making recommendations to the Board on the Company's general compensation philosophy and overseeing the development and administration of compensation programs;
- reviewing the senior management and Board compensation policies and/or practices followed by the Company and seeking to ensure such policies are designed to recognize and reward performance and establish a compensation framework, which results in the effective development and execution of a Board-approved strategy;
- seeking to ensure that base salaries are competitive relative to the industry and that bonuses, if any, reflect industry-competitive cash composition relative to corporate performance and considering individual performance in the context of the overall performance of the Company;
- establishing the milestones and criteria for the payment of bonuses;
- developing, for review and approval of the Board, a written position description for the CEO;
- annually evaluating the Company's and the senior executives' performance by the degree that the Company's strategy (as proposed and justified by management and modified and approved by the Board) and value growth performance (as compared to its peers including other Canadian public companies of a similar size and other streaming and royalty companies of a similar size in general and also the Canadian streaming and royalty companies with the most similar scope of business) differentiate;
- annually reviewing and recommending to the Board an evaluation of the performance of senior executives and providing recommendations for annual compensation based on such evaluation and other appropriate factors;
- administering any share-based compensation plan and such other compensation plans or structures for non-senior executive employees as are adopted by the Company from time to time in accordance with the terms of the applicable plan or structure, including the recommendation to the Board of the grant of options or other compensation in accordance with the terms of the applicable plan or structure;
- regularly reviewing all incentive compensation plans and share-based plans and, in its discretion, making recommendations to the Board for consideration;
- reviewing employee benefit plans and reports and, in its discretion, making recommendations to the Board for consideration;
- identifying any compensation plans or practices that could encourage senior executives or other individuals to take inappropriate or excessive risks;
- identifying any other risks that may arise from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company;
- overseeing and approving a report prepared by management on senior executive compensation on an annual basis in connection with the preparation of the annual management information circular or as otherwise required pursuant to applicable securities laws;
- reviewing in advance all proposed executive compensation disclosure;
- reviewing and recommending to the Board the compensation of the Board members, including annual retainer, meeting fees, share-based compensation and other benefits conferred upon the Board members; and
- reviewing annually the effectiveness of the CEO and, in consultation with the CEO, other senior management and other executive officers, including their contributions, performance and qualifications.

Consultants may be periodically retained to assist the Compensation Committee in fulfilling its responsibilities.



## Corporate Governance and Nominating Committee

During the financial year ended June 30, 2020, the Company did not have a Corporate Governance and Nominating Committee. In 2021, the Corporate Governance and Nominating Committee was formed by the Board and is presently comprised of Andy Tester (Chair), R. Marc Bustin and Maurice Swan. Each of the members of the Corporate Governance and Nominating Committee is independent within the meaning of the Corporate Governance Rule.

The Corporate Governance and Nominating Committee's mandate is to, among other things, assess and formulate and make recommendations to the Board in respect of corporate governance and other issues relating to the Directors. In addition to any other duties and authorities delegated to it by the Board from time to time, the Corporate Governance and Nominating Committee mandate is excepted to include:

- reviewing and recommending to the Board, on a non-binding basis, changes to its mandate, as considered appropriate from time to time;
- overseeing the preparation of and recommending to the Board any required disclosures of governance practices to be included in any disclosure document of the Company, as required;
- considering such other human resource matters as are delegated to the Corporate Governance and Nominating Committee by the Board, for review or recommendation, as considered appropriate from time to time;
- reviewing, on a periodic basis, the size and composition of the Board, making recommendations as to the number of independent directors and advising the Board on filling vacancies;
- facilitating the independent functioning of the Board, including by assessing which Directors are independent Directors and which independent Directors serve the Board as a matter of duty to a third-party and identifying areas of conflict of interest between the Company and any such third parties, and seeking to maintain an effective relationship between the Board and senior management of the Company;
- reviewing, annually, the mandates of the Board and its committees and the position descriptions for the Chair of the Board and the Chair of each committee and recommending to the Board such amendments to those mandates and position descriptions as it believes are necessary or desirable;
- assessing, annually, the effectiveness of the Chair of the Board, the Board as a whole, all committees of the Board and the contribution, competency, skill and qualification and, if applicable, position distributions, of individual Directors, including making recommendations where appropriate that a sitting Director be removed or not be re-appointed;
- reviewing, on a periodic basis, the Company's code of business conduct and ethics, recommending to the Board any changes thereto as considered appropriate from time to time, ensuring that management has established a system to monitor compliance with the code of business conduct and ethics, and reviewing management's monitoring of the Company's compliance with the code of business conduct and ethics;
- establishing a process for direct communications with shareholders and other stakeholders, including through any whistleblower policy;
- developing processes to address any conflict of interest and to periodically review such processes;
- reviewing, on a periodic basis, senior management succession plans;
- reviewing and submitting to the Board, as a whole, recommendations concerning executive and board compensation, compensation plan matters and corporate governance; and
- considering, in recommending to the Board suitable candidates to be nominated for election as Directors at the next annual meeting of shareholders: (a) the competencies and skills considered necessary for the Board, as a whole, to possess, (b) the competencies and skills of the existing members of the Board, (c) the needs of the Board and the competencies and skills each new nominee will bring to the boardroom, and (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

Consultants may be periodically retained to assist the Corporate Governance and Nominating Committee in fulfilling its responsibilities.

## **Additional Information**

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### **Indebtedness of Directors, Executive Officers and Others**

None of the Company's Directors, Nominees for Director, executive officers or employees, or former Directors, executive officers or employees, nor any associate of such individuals, is as at the date hereof, or has been, during the year ended June 30, 2020, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of any of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

### **Interest of Informed Persons in Material Transactions**

Other than as set forth in this Circular and except for the fact that certain Directors and officers are shareholders, no informed person (as defined in NI 51-102) of the Company or proposed Director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial period or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

### **Interest of Certain Persons or Companies in Matters to be Acted Upon**

Other than the election of Directors or the appointment of auditors, no: (a) person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial period; (b) proposed Nominee for election as a Director of the Company; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### **Management Contracts**

Other than as described above under the heading "*Executive Compensation – Compensation Discussion and Analysis and Oversight of Compensation - Employment, Consulting and Management Agreements*", no management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the Directors or executive officers of the Company or its subsidiaries.

## Other Information

Additional information relating to the Company can be found at the Company's website at [www.carbonstreaming.com](http://www.carbonstreaming.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's audited consolidated financial statements and related MD&A for its most recently completed financial year ended June 30, 2020 which are filed on SEDAR. Shareholders may contact the Company by phone at +1 647 846 7765 or by e-mail at [info@carbonstreaming.com](mailto:info@carbonstreaming.com) to request copies of these documents.

## Directors' Approval

The contents of this Circular and the sending thereof to Shareholders have been approved by the Board.

**DATED** at Toronto, Ontario this 28th day of May, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
CARBON STREAMING CORPORATION**

*(signed) Justin Cochrane*

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Justin Cochrane  
President & Chief Executive Officer

**SCHEDULE “A”  
OMNIBUS LONG-TERM INCENTIVE PLAN**

See attached.

CARBON STREAMING CORPORATION  
OMNIBUS LONG-TERM INCENTIVE PLAN

March 25, 2021

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CARBON STREAMING CORPORATION  
OMNIBUS LONG-TERM INCENTIVE PLAN

Carbon Streaming Corporation (the “Corporation”) hereby establishes an Omnibus Long-Term Incentive Plan for certain qualified directors, officers, employees, consultants and management company employees providing ongoing services to the Corporation and its Affiliates (as defined herein) that can have a significant impact on the Corporation’s long-term results.

ARTICLE 1—DEFINITIONS

**Section 1.1 Definitions.**

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Affiliates**” has the meaning given to this term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time;

“**Awards**” means Options, RSUs and PSUs granted to a Participant pursuant to the terms of the Plan;

“**Award Agreement**” means an Option Agreement, RSU Agreement, PSU Agreement, or an Employment Agreement, as the context requires;

“**Black-Out Period**” means the period of time required by applicable law when, pursuant to any policies or determinations of the Corporation, securities of the Corporation may not be traded by Insiders or other specified persons;

“**Board**” means the board of directors of the Corporation as constituted from time to time;

“**Broker**” has the meaning ascribed thereto in Section 7.4(2) hereof;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario, Canada, or Vancouver, British Columbia, Canada for the transaction of banking business;

“**Cancellation**” has the meaning ascribed thereto in Section 2.5(1) hereof;

“**Cash Equivalent**” means in the case of Share Units, the amount of money equal to the Market Value multiplied by the number of vested Share Units in the Participant’s Account, net of any applicable taxes in accordance with Section 7.4, on the Share Unit Settlement Date;

**“Change of Control”** means unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) any transaction (other than a transaction described in clause (b) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation’s then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs (A) upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation’s equity incentive plans; or (B) as a result of the conversion of the multiple voting shares in the capital of the Corporation into Shares;
- (b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such transaction, or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
- (c) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation’s assets to a person other than a person that was an Affiliate of the Corporation at the time of such transaction, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation’s business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who, on the effective date, are members of the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board;

**“Code”** means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder;

**“Code of Ethics”** means any code of ethics adopted by the Corporation, as modified from time to time;

**“Corporation”** means Carbon Streaming Corporation, a corporation existing under the *Business Corporations Act* (British Columbia), as amended from time to time;

**“Discounted Market Price”** has the meaning given to such term in TSXV Policy 1.1, as amended, supplemented or replaced from time to time;

**“Dividend Share Units”** has the meaning ascribed thereto in Section 5.2 hereof;

**“Eligible Participants”** has the meaning ascribed thereto in Section 2.4(1) hereof;



**“Employment Agreement”** means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

**“Exercise Notice”** means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

**“Exercise Price”** has the meaning ascribed thereto in Section 3.3 hereof;

**“Expiry Date”** has the meaning ascribed thereto in Section 3.4 hereof;

**“Insider”** has the meaning attributed thereto in the TSX Company Manual in respect of the rules governing security-based compensation arrangements, as amended from time to time;

**“Investor Relations Activities”** has the meaning given to such term in TSXV Policy 1.1, as amended, supplemented or replaced from time to time;

**“Market Value”** means at any date when the market value of Shares of the Corporation is to be determined, the three-day volume weighted average trading price of the Shares on the Trading Day prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

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

**“Non-Employee Directors”** means members of the Board who, at the time of execution of an Award Agreement, if applicable, and at all times thereafter while they continue to serve as a member of the Board, are not officers, senior executives or other employees of the Corporation or a Subsidiary, consultants, or service providers providing ongoing services to the Corporation or its Affiliates;

**“Option”** means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, but subject to the provisions hereof and the Option Agreement;

**“Option Agreement”** means a written notice from the Corporation to a Participant evidencing the grant of Options and the terms and conditions thereof, substantially in the form set out in Appendix “A”, or such other form as the Board may approve from time to time;

**“Participants”** means Eligible Participants that are granted Awards under this Plan;

**“Participant’s Account”** means an account maintained to reflect each Participant’s participation in RSUs and/or PSUs under this Plan;

**“Performance Criteria”** means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;

**“Performance Period”** means the period determined by the Board pursuant to Section 4.4 hereof;

**“Person”** means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

**“Plan”** means this Omnibus Long-Term Incentive Plan, as amended or restated from time to time;

**“PSU”** means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

**“PSU Agreement”** means a written notice from the Corporation to a Participant evidencing the grant of PSUs and the terms and conditions thereof, substantially in the form of Appendix “D”, or such other form as the Board may approve from time to time;

**“Restriction Period”** means the period determined by the Board pursuant to Section 4.3 hereof;

**“RSU”** means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

**“RSU Agreement”** means a written notice from the Corporation to a Participant evidencing the grant of RSUs and the terms and conditions thereof, substantially in the form of Appendix “C”, or such other form as the Board may approve from time to time;

**“Share Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more employees, directors, officers or insiders of the Corporation or a Subsidiary. For greater certainty, a “Share Compensation Arrangement” does not include a security based compensation arrangement used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Corporation;

**“Shares”** means the common shares in the capital of the Corporation;

**“Share Unit”** means a RSU or PSU, as the context requires;

**“Share Unit Settlement Date”** has the meaning determined in Section 4.6(1)(a);

**“Share Unit Settlement Notice”** means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs or PSUs;

**“Share Unit Vesting Determination Date”** has the meaning described thereto in Section 4.5 hereof;

**“Stock Exchange”** means the NEO, the TSX or the TSXV, as applicable from time to time;

**“Subsidiary”** means a corporation, company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;

**“Successor Corporation”** has the meaning ascribed thereto in Section 6.1(3) hereof;

**“Surrender”** has the meaning ascribed thereto in Section 3.6(3);

**“Surrender Notice”** has the meaning ascribed thereto in Section 3.6(3);

“**Tax Act**” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

“**Termination Date**” means the date on which a Participant ceases to be an Eligible Participant;

“**Trading Day**” means any day on which the Stock Exchange is opened for trading;

“**TSX**” means the Toronto Stock Exchange;

“**TSXV**” means the TSX Venture Exchange;

“**TSXV Policy**” means the TSXV Corporate Finance Policies; and

“**U.S. Participant**” means any Participant who is a United States citizen or United States resident alien as defined for purposes of Section 7701(b)(1)(A) of the Code or for whom an Award is otherwise subject to taxation under the Code.

## **ARTICLE 2—PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

### **Section 2.1 Purpose of the Plan.**

The purpose of this Plan is to advance the interests of the Corporation by: (i) providing Eligible Participants with additional incentives; (ii) encouraging stock ownership by such Eligible Participants; (iii) increasing the proprietary interest of Eligible Participants in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Participants to take into account long-term corporate performance; (vi) rewarding Eligible Participants for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation’s ability to attract, retain and motivate Eligible Participants.

### **Section 2.2 Implementation and Administration of the Plan.**

- (1) Subject to Section 2.3, this Plan will be administered by the Board.
- (2) Subject to the terms and conditions set forth in this Plan, the Board is authorized to provide for the granting, exercise and method of exercise of Awards, all at such times and on such terms (which may vary between Awards granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all certificates, agreements or other documents provided or entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Award Agreement or other document or any Awards granted pursuant to this Plan.
- (4) The day-to-day administration of this Plan may be delegated to such committee of the Board and/or such officers and employees of the Corporation as the Board determines from time to time.
- (5) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, applicable to the exercise of an Award.

### **Section 2.3 Delegation to Committee.**

Despite Section 2.2 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

### **Section 2.4 Eligible Participants.**

- (1) The Persons who shall be eligible to receive Awards (“Eligible Participants”) shall be the bona fide directors, officers, senior executives, consultants, management company employees and other employees of the Corporation or a Subsidiary, providing ongoing services to the Corporation and its Affiliates; notwithstanding the foregoing, providers of Investor Relations Activities shall not be included as Eligible Participants entitled to receive Share Units related to RSU Agreements or PSU Agreements.
- (2) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant’s relationship, employment or appointment with the Corporation.
- (3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to this Plan shall in no way be construed as a guarantee of employment or appointment by the Corporation.

### **Section 2.5 Shares Subject to the Plan.**

- (1) Subject to adjustment pursuant to provisions of Article 6 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Awards under this Plan shall not exceed ten percent (10%) of the total issued and outstanding Shares from time to time or such other number as may be approved by the Stock Exchange and the shareholders of the Corporation from time to time, provided that at all times when the Corporation is listed on the TSXV, the shareholder approval referred to herein must be obtained on a “disinterested” basis in compliance with the applicable policies of the TSXV. For the purposes of this Section 2.5(1), in the event that the Corporation cancels or purchases to cancel any of its issued and outstanding Shares (“Cancellation”) and as a result of such Cancellation the Corporation exceeds the limit set out in this Section 2.5(1), no approval of the Corporation’s shareholders will be required for the issuance of Shares on the exercise of any Options which were granted prior to such Cancellation.
- (2) Shares in respect of which an Award is granted under this Plan, but not exercised prior to the termination of such Award or not vested or settled prior to the termination of such Award due to the expiration, termination, cancellation or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of this Plan. All Shares issued pursuant to the exercise or the vesting of the Awards granted under this Plan shall be so issued as fully paid and non-assessable Shares.

### **Section 2.6 Participation Limits.**

- (1) Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares reserved and available for grant and issuance pursuant to Awards under this Plan to the Non-Employee Directors shall not exceed one percent (1%) of the total issued and outstanding Shares from time to time. For greater certainty, the Shares reserved and available for grant and issuance to the Non-Employee Directors, shall be included in the ten percent (10%) of the total issued and outstanding Shares from time to time generally available for grant and issuance pursuant Section 2.5(1). The total Market Value of annual Award(s) to any individual Non-Employee Director under this Plan shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of Options.

- (2) Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares (i) issued to Insiders under this Plan or any other proposed or established Share Compensation Arrangement within any one-year period and (ii) issuable to Insiders at any time under this Plan or any other proposed or established Share Compensation Arrangement, shall in each case not exceed ten percent (10%) of the total issued and outstanding Shares from time to time. Any Awards granted pursuant to this Plan, prior to the Participant becoming an Insider, shall be excluded for the purposes of the limits set out in this Section 2.6(2).

**Section 2.7 Additional TSXV Limits.**

- (1) In addition to the requirements in Section 2.5 and Section 2.6, subject to Section 4.2(7), and notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV:
- (a) the total number of Shares which may be reserved for issuance to any one Eligible Participant under this Plan together with all of the Corporation's other previously established or proposed share compensation arrangements shall not exceed 5% of the issued and outstanding Shares on the grant date or within any 12-month period (in each case on a non-diluted basis);
  - (b) the aggregate number of Awards to any one Eligible Participant that is a consultant of the Corporation in any 12 month period must not exceed 2% of the issued Shares calculated at the first such grant date;
  - (c) the aggregate number of Options to all persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12-month period calculated at the first such grant date (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities);
  - (d) Options granted to any person retained to provide Investor Relations Activities must vest over a period of not less than 12 months from the date of grant of the Award and with no more the 25% of the Options vesting in any three (3) month period notwithstanding any other provision of this Plan;
  - (e) the aggregate number of Share Units to any one Eligible Participant must not exceed (i) 1% of the issued Shares at the each such grant date and (ii) 2% of the total issued and outstanding Shares within the last 12-month period calculated at the each such grant date; and
  - (f) the aggregate number of Share Units issuable to all Eligible Participants under this Plan must not exceed such number as agreed to with the Stock Exchange.
- (2) At all times when the Corporation is listed on the TSXV, the Corporation shall seek annual TSXV and shareholder approval for this rolling Plan in conformity with TSXV Policy 4.4.

## ARTICLE 3—OPTIONS

### Section 3.1 Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, subject to the provisions hereof.

### Section 3.2 Option Awards.

- (1) The Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive Options under this Plan, (ii) determine the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Exercise Price**”), (iv) determine the relevant vesting provisions (including Performance Criteria, if applicable) and (v) determine the Expiry Date; the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the Stock Exchange.
- (2) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a Option Agreement, each Option shall vest as to one-third on the first anniversary date of the grant, one-third on the second anniversary of the date of grant, and one-third on the third anniversary of the date of grant.
- (3) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV, the Corporation shall maintain timely disclosure and file appropriate documentation in connection with Option grants made under this Plan in accordance with TSXV Policy 4.4.

### Section 3.3 Exercise Price.

The Exercise Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant and in any event shall not be less than the Discounted Market Price.

### Section 3.4 Expiry Date; Blackout Period.

Subject to Section 6.2, each Option must be exercised no later than ten (10) years after the date the Option is granted or such shorter period as set out in the Participant’s Option Agreement, at which time such Option will expire (the “**Expiry Date**”). Notwithstanding any other provision of this Plan, each Option that would expire during or within ten (10) Business Days immediately following a Black-Out Period shall expire on the date that is ten (10) Business Days immediately following the expiration of the Black-Out Period. Where an Option will expire on a date that falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black- Out Period, then the date such Option will expire will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days after the Black-Out Period that the Option expires.

### Section 3.5 Exercise of Options.

- (1) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.

- (2) Prior to its expiration or earlier termination in accordance with this Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board may determine in its sole discretion.
- (3) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 6.1, such Participant will only have the right to acquire the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

### **Section 3.6 Method of Exercise and Payment of Purchase Price.**

- (1) Subject to the provisions of this Plan and the alternative exercise procedures set out herein, an Option granted under this Plan may be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering an Exercise Notice to the Corporation in the form and manner determined by the Board from time to time, together with cash, a bank draft or certified cheque in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Options and any applicable tax withholdings.
- (2) Subject to Section 3.6(5), pursuant to the Exercise Notice and subject to the approval of the Board, a Participant may choose to undertake a “cashless exercise” with the assistance of a broker in order to facilitate the exercise of such Participant’s Options. The “cashless exercise” procedure may include a sale of such number of Shares as is necessary to raise an amount equal to the aggregate Exercise Price for all Options being exercised by that Participant under an Exercise Notice and any applicable tax withholdings. Pursuant to the Exercise Notice, the Participant may authorize the broker to sell Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Corporation to satisfy the Exercise Price and any applicable tax withholdings, promptly following which the Corporation shall issue the Shares underlying the number of Options as provided for in the Exercise Notice.
- (3) Subject to Section 3.6(5), in addition, in lieu of exercising any vested Option in the manner described in this Section 3.6 (1) or Section 3.6(2), and pursuant to the terms of this Article 3, a Participant may, by surrendering an Option (“**Surrender**”) with a properly endorsed notice of Surrender to the Corporate Secretary of the Corporation, substantially in the form of Schedule II to the Option Agreement (a “**Surrender Notice**”), elect to receive that number of Shares calculated using the following formula:

$$X = (Y * (A-B)) / A$$

#### **Where:**

X = the number of Shares to be issued to the Participant upon exercising such Options; provided that if the foregoing calculation results in a negative number, then no Shares shall be issued

Y = the number of Shares underlying the Options to be Surrendered

A = the Market Value of the Shares as at the date of the Surrender

B = the Exercise Price of such Options

- (4) Subject to Section 3.6(5), upon the exercise of an Option pursuant to Section 3.6(1) or Section 3.6(3), the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to deliver to the Participant such number of Shares as the Participant shall have then paid for and as are specified in such Exercise Notice.
- (5) Notwithstanding any other provision of this Plan, the “cashless exercise” provisions contained in each of Section 3.6(2), Section 3.6(3) and Section 3.6(4) shall not apply at all times when the Corporation is listed on the TSXV, and such provisions shall be of no force and effect during such period.

## **ARTICLE 4 —SHARE UNITS**

### **Section 4.1 Nature of Share Units.**

A Share Unit is an Award entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

### **Section 4.2 Share Unit Awards.**

- (1) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs and/or PSUs under this Plan, (ii) fix the number of RSUs and/or PSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs and/or PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs and/or PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) The RSUs and PSUs are structured so as to be considered to be a “plan” described in Section 7 of the Tax Act or any successor to such provision.
- (3) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement and/or PSU Agreement, the Board shall determine whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares.
- (4) Share Units may be settled by the Participant at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but shall be settled no later than the Share Unit Settlement Date.
- (5) Unless otherwise specified in the RSU Agreements, one-third of RSUs awarded pursuant to a RSU Agreement shall vest on each of the first three anniversaries of the date of grant.
- (6) Each Non-Employee Director may elect to receive all or a portion his or her annual retainer fee in the form of a grant of RSUs in each fiscal year. The number of RSUs shall be calculated as the amount of the Non-Employee Director’s annual retainer fee elected to be paid by way of RSUs divided by the Market Value. At the discretion of the Board, fractional RSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.



- (7) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV, no person retained to provide Investor Relations Activities shall receive any grant of Share Units in compliance with TSXV Policy 3.4.

#### **Section 4.3 Restriction Period Applicable to Share Units.**

The applicable restriction period in respect of a particular Share Unit shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the Award is granted (“**Restriction Period**”). For example, the Restriction Period for a grant made in June 2020 shall end no later than December 31, 2023. Subject to the Board’s determination, any vested Share Units with respect to a Restriction Period will be paid to Participants in accordance with Article 4, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested Share Units shall be cancelled on the Share Unit Vesting Determination Date (as such term is defined in Section 4.5) and, in any event, no later than the last day of the Restriction Period.

#### **Section 4.4 Performance Criteria and Performance Period Applicable to PSU Awards.**

- (1) For each award of PSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the PSUs held by such Participant (the “**Performance Period**”), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three (3) years after the calendar year in which the Award was granted. For example, a Performance Period determined by the Board to be for a period of three (3) financial years will start on the first day of the financial year in which the award is granted and will end on the last day of the second financial year after the year in which the grant was made. In such a case, for a grant made on January 4, 2021, the Performance Period will start on January 1, 2021 and will end on December 31, 2023.
- (2) For each award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions in order for a Participant to be entitled to receive Shares in exchange for his or her PSUs.

#### **Section 4.5 Share Unit Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU and/or PSU have been met (the “Share Unit Vesting Determination Date”), and as a result, establishes the number of RSUs and/or PSUs that become vested, if any. For greater certainty, the Share Unit Vesting Determination Date in respect of Share Units must fall after the end of the Performance Period, if applicable, but no later than the last day of the Restriction Period.

#### **Section 4.6 Settlement of Share Unit Awards.**

- (1) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a RSU Agreement and/or PSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of a Share Unit are satisfied:
- (a) all of the vested Share Units covered by a particular grant may, subject to Section 4.6(4), be settled at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the date that is five (5) years from their Share Unit Vesting Determination Date (the “Share Unit Settlement Date”); and

- (b) a Participant is entitled to deliver to the Corporation, on or before the Share Unit Settlement Date, a Share Unit Settlement Notice in respect of any or all vested Share Units held by such Participant.
- (2) Subject to Section 4.6(4), settlement of Share Units shall take place promptly following the Share Unit Settlement Date and take the form set out in the Share Unit Settlement Notice through:
  - (a) in the case of settlement of Share Units for their Cash Equivalent, delivery of a bank draft, certified cheque or other acceptable form of payment to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of Share Units for Shares, delivery of Shares to the Participant; or
  - (c) in the case of settlement of the Share Units for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) If a Share Unit Settlement Notice is not received by the Corporation on or before the Share Unit Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 4.7(2).
- (4) Notwithstanding any other provision of this Plan, in the event that a Share Unit Settlement Date falls during a Black-Out Period and the Participant has not delivered a Share Unit Settlement Notice, then such Share Unit Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period is terminated. Where a Share Unit Settlement Date falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black-Out Period, then the Share Unit Settlement Date will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days that a Share Unit Settlement Date is after the Black-Out Period.

#### **Section 4.7 Determination of Amounts.**

- (1) **Cash Equivalent of Share Units.** For purposes of determining the Cash Equivalent of Share Units to be made pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and shall equal the Market Value on the Share Unit Settlement Date multiplied by the number of vested Share Units in the Participant's Account which the Participant desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (2) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of Share Units pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and be the whole number of Shares equal to the whole number of vested Share Units then recorded in the Participant's Account which the Participant desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan in respect of such Share Units settled for Shares shall be satisfied in full by such issuance of Shares.

## ARTICLE 5—GENERAL CONDITIONS

### Section 5.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- (1) **Employment** - The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (2) **Rights as a Shareholder** - Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.
- (3) **Conformity to Plan** – In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of this Plan, or purports to grant Awards on terms different from those set out in this Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with this Plan.
- (4) **Non-Transferability** – Except as set forth herein, Awards are not transferable. Awards may be exercised only upon the Participant's death, by the legal representative of the Participant's estate, provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.
- (5) **Hold Period** – The granting of an Award (i) to Insiders, or (ii) where the exercise price is at a discount to the Market Price, shall be subject to a four-month hold period in compliance with the applicable policies of the TSXV.

### Section 5.2 Dividend Share Units.

When dividends (other than stock dividends) are paid on Shares, Participants shall receive additional RSUs and/or PSUs, as applicable ("Dividend Share Units") as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant shall be determined by multiplying the aggregate number of RSUs and/or PSUs, as applicable, held by the Participant on the relevant record date by the amount of the dividend paid by the Corporation on each Share, and dividing the result by the Market Value on the dividend payment date, which Dividend Share Units shall be in the form of RSUs and/or PSUs, as applicable. Dividend Share Units granted to a Participant in accordance with this Section 5.2 shall be subject to the same vesting conditions applicable to the related RSUs and/or PSUs.

### Section 5.3 Termination of Employment.

- (1) Subject to a written Employment Agreement of a Participant and as otherwise determined by the Board, each Share Unit and Option shall be subject to the following conditions:
- (a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for “cause”, all unexercised vested or unvested Share Units and Options granted to such Participant shall terminate on the effective date of the termination as specified in the notice of termination. For the purposes of this Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant. “Cause” shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation’s Code of Ethics and any reason determined by the Corporation to be cause for termination.
  - (b) **Retirement.** In the case of a Participant’s retirement, any unvested Share Units and/or Options held by the Participant as at the Termination Date will continue to vest in accordance with their vesting schedules, and all vested Share Units and Options held by the Participant at the Termination Date may be exercised until the earlier of the expiry date of such Share Units and Options or one (1) year following the Termination Date, provided that if the Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Share Units and/or Options held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any “in-the-money” amounts realized upon exercise of Share Units and/or Options following the Termination Date.
  - (c) **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant’s resignation, subject to any later expiration dates determined by the Board, all Share Units and Options shall expire on the earlier of ninety (90) days after the effective date of such resignation, or the expiry date of such Share Unit or Option, to the extent such Share Unit or Option was vested and exercisable by the Participant on the effective date of such resignation and all unexercised unvested Share Units and/or Options granted to such Participant shall terminate on the effective date of such resignation.
  - (d) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for “cause”, resignation or death) the number of Share Units and/or Options that may vest is subject to pro ration over the applicable vesting or performance period and shall expire on the earlier of ninety (90) days after the effective date of the Termination Date, or the expiry date of such Share Units and Options. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Share Units and/or Options.
  - (e) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, all unvested Share Units and Options will immediately vest and all Share Units and Options will expire one hundred eighty (180) days after the death of such Participant.
  - (f) **Change of Control.** If a participant is terminated without “cause” or resigns for good reason during the 12 month period following a Change of Control, or after the Corporation has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Share Units and/or Options will immediately vest and may be exercised prior to the earlier of thirty (30) days of such date or the expiry date of such Options.

- (2) For the purposes of this Plan, a Participant's employment with the Corporation or an Affiliate is considered to have terminated effective on the last day of the Participant's actual and active employment with the Corporation or Affiliate, whether such day is selected by agreement with the individual, unilaterally by the Corporation or Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by a court or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment will be considered as extending the Participant's period of employment for the purposes of determining his entitlement under this Plan.
- (3) The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have settled or vested or accrued to the Participant after the date of cessation of employment or if working notice of termination had been given.

#### **Section 5.4 Unfunded Plan.**

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that this Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Tax Act or any successor provision thereto.

### **ARTICLE 6—ADJUSTMENTS AND AMENDMENTS**

#### **Section 6.1 Adjustment to Shares Subject to Outstanding Awards.**

- (1) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (2) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.

- (3) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 6.1(1) or Section 6.1(2) hereof or, subject to the provisions of Section 6.2(3) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the “**Successor Corporation**”), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 6.2(3) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.
- (4) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants’ economic rights in respect of their Awards in connection with such distribution, transaction or change.

#### **Section 6.2 Amendment or Discontinuance of the Plan.**

- (1) The Board may amend this Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
- (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 6 hereof;
  - (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Stock Exchange; and
  - (c) be subject to shareholder approval, where required by law, the requirements of the Stock Exchange or the provisions of this Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any such amendments:
    - (i) amendments of a general “housekeeping” or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in this Plan;
    - (ii) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award (other than in respect of any Options held by persons retained to provide Investor Relations Activities for which prior approval of the TSXV shall be required at all times when the Corporation is listed on the TSXV);

- (iii) a change to the assignability provisions under this Plan;
  - (iv) any amendment regarding the effect of termination of a Participant's employment or engagement;
  - (v) any amendment to add or amend provisions relating to the granting of cash- settled awards, provision of financial assistance or clawbacks and any amendment to a cash- settled award, financial assistance or clawbacks provisions which are adopted;
  - (vi) any amendment regarding the administration of this Plan;
  - (vii) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the shareholders of the Corporation (provided, however, that any Stock Exchange shall have the overriding right in such circumstances to require shareholder of any such amendments); and
  - (viii) any other amendment that does not require the shareholder approval under Section 6.2(2).
- (2) Notwithstanding Section 6.2(1)(c), the Board shall be required to obtain shareholder approval to make the following amendments:
- (a) any change to the maximum number of Shares issuable from treasury under this Plan, except such increase by operation of Section 2.5 and in the event of an adjustment pursuant to Article 6;
  - (b) any amendment which reduces the exercise price of any Award, except in the case of an adjustment pursuant to Article 6;
  - (c) any amendment that would permit the introduction or reintroduction of Non- Employee Directors as Eligible Participants on a discretionary basis or any amendment that increases the limits previously imposed on Non-Employee Director participation;
  - (d) any amendment to remove or to exceed the insider participation limit set out in Section 2.6(2);
  - (e) any amendment to the amendment provisions of this Plan.

At all times when the Corporation is listed on the TSXV, the shareholder approval referred to in Section 6.2(2)(b) (if any such Award is held by an Insider) and Section 6.2(2)(d) above must be obtained on a "disinterested" basis in compliance with the applicable policies of the TSXV.

- (3) The Board may, subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Board.
- (4) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV:

- (a) the Corporation shall be required to obtain prior TSXV acceptance of any amendment to this Plan; and
- (b) The Corporation shall be required to obtain disinterested shareholder approval in compliance with the applicable policies of the TSXV for this Plan if, together with all of the Corporation's previously established and outstanding equity compensation plans or grants, could permit at any time: (1) the aggregate number of Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued Shares; and (2) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Awards exceeding 10% of the issued Shares, calculated at the date an Award is granted to any Insider.

### **Section 6.3 Change of Control.**

- (1) Notwithstanding any other provision of this Plan, in the event of a Change of Control, the surviving, successor or acquiring entity shall assume any Awards or shall substitute similar options or share units for the outstanding Awards, as applicable. If the surviving, successor or acquiring entity does not assume the outstanding Awards or substitute similar options or share units for the outstanding Awards, as applicable, or if the Board otherwise determines in its discretion, the Corporation shall give written notice to all Participants advising that this Plan shall be terminated effective immediately prior to the Change of Control and all Options, RSUs (and related Dividend Share Units) and a specified number of PSUs (and related Dividend Share Units) shall be deemed to be vested and, unless otherwise exercised, settled, forfeited or cancelled prior to the termination of this Plan, shall expire or, with respect to RSUs and PSUs be settled, immediately prior to the termination of this Plan. The number of PSUs which are deemed to be vested shall be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Criteria prior to the Change of Control.
- (2) In the event of a Change of Control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Participants; (ii) otherwise modify the terms of the Awards to assist the Participants to tender into a takeover bid or other arrangement leading to a Change of Control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such Change of Control. If the Change of Control is not completed within the time specified therein (as the same may be extended), the Awards which vest pursuant to this Section 6.3 shall be returned by the Corporation to the Participant and, if exercised or settled, as applicable, the Shares issued on such exercise or settlement shall be reinstated as authorized but unissued Shares and the original terms applicable to such Awards shall be reinstated.

## **ARTICLE 7—MISCELLANEOUS**

### **Section 7.1 Currency.**

Unless otherwise specifically provided, all references to dollars in this Plan are references to Canadian dollars.

### **Section 7.2 Compliance and Award Restrictions.**

- (1) The Corporation's obligation to issue and deliver Shares under any Award is subject to: (i) the completion of such registration or other qualification of such Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Shares to listing on any stock exchange on which such Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which such Shares are then listed.



- (2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (3) No Awards will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Corporation.
- (4) The Corporation is not obliged by any provision of this Plan or the grant of any Award under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals.
- (5) If Shares cannot be issued to a Participant upon the exercise or settlement of an Award due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and, if applicable, any funds paid to the Corporation in connection with the exercise of any Options will be returned to the applicable Participant as soon as practicable.

**Section 7.3 Use of an Administrative Agent and Trustee.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under this Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under this Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under this Plan.

**Section 7.4 Tax Withholding.**

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under this Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.

- (2) The sale of Shares by the Corporation, or by a broker engaged by the Corporation (the “**Broker**”), under Section 7.4 (1) or under any other provision of this Plan will be made on the Stock Exchange. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares on his behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the withholding obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Corporation nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise.
- (3) The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.
- (4) Notwithstanding the first paragraph of this Section 7.4, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant’s registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

#### **Section 7.5 Reorganization of the Corporation.**

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation’s capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **Section 7.6 Governing Laws.**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

#### **Section 7.7 Severability.**

The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Plan.

#### **Section 7.8 Effective Date of the Plan.**

The Plan was approved by the Board and shall take effect as of March 25, 2021.

**ADDENDUM FOR U.S. PARTICIPANTS**  
**CARBON STREAMING CORPORATION**  
**OMNIBUS LONG-TERM INCENTIVE PLAN**

The provisions of this Addendum apply to Awards held by a U.S. Participant. All capitalized terms used in this Addendum but not defined in Section 1 below have the meanings attributed to them in the Plan. The Section references set forth below match the Section references in the Plan. This Addendum shall have no other effect on any other terms and provisions of the Plan except as set forth below.

**1. Definitions**

“cause” has the meaning attributed under Section 5.3(1)(a) of the Plan, provided however that the Participant has provided the Corporation (or applicable Subsidiary) with written notice of the acts or omissions constituting grounds for “cause” within 90 days of such act or omission and the Corporation (or applicable Subsidiary) shall have failed to rectify, as determined by the Board acting reasonably, any such acts or omissions within 30 days of the Corporation’s (or applicable Subsidiary’s) receipt of such notice.

“**Separation from Service**” means, with respect to a U.S. Participant, any event that may qualify as a separation from service under Treasury Regulation Section 1.409A-1(h). A U.S. Participant shall be deemed to have separated from service if he or she dies, retires, or otherwise has a termination of employment as defined under Treasury Regulation Section 1.409A-1(h).

“**Specified Employee**” has the meaning set forth in Treasury Regulation Section 1.409A-1(i).

**2. Expiry Date of Options**

Notwithstanding anything to the contrary in Section 3.4 of the Plan or otherwise, in no event, including as a result of any Black- Out Period or any termination of employment, shall the expiration of any Option issued to a U.S. Participant be extended beyond the original Expiry Date if such Option has an Exercise Price that is less than the Market Value on the date of the proposed extension.

**3. Non-Employee Directors**

A Non-Employee Director who is also a U.S. Participant and wishes to have all or any part of his or her annual retainer fees paid in the form of RSUs shall irrevocably elect such payment form by December 31 of the year prior to the calendar year during which the annual retainer fees are to be earned. Any election made under this Section 3 shall be irrevocable during the calendar year to which it applies, and shall apply to annual retainers earned in future calendar years unless and until the U.S. Participant makes a later election in accordance with the terms of this Section 3 of the Addendum. With respect to the calendar year in which a U.S. Participant becomes a Non-Employee Director, so long as such individual has never previously been eligible to participate in any deferred compensation plan sponsored by the Corporation, such individual may make the election described in this Section 3 of the Addendum within the first 30 days of becoming eligible to participate in the Plan, but solely with respect to the portion of the annual retainer not earned before the date such election is made. Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, any RSUs issued to a U.S. Participant that is a Non-Employee Director in lieu of retainer fees shall be settled on earlier of (i) the U.S. Participant’s Separation from Service, or (ii) a Change of Control provided that such change of control event constitutes a change of control within the meaning of Section 409A.

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#### **4. Settlement of Share Unit Awards.**

- (a) Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, all of the vested Share Units subject to any RSU or PSU shall be settled on earlier of (i) the date set forth in the U.S. Participant's Share Unit Settlement Notice which shall be no later than the fifth anniversary of the applicable Share Unit Vesting Determination Date, (ii) the U.S. Participant's Separation from Service, or (iii) a Change of Control provided that such change of control event constitutes a change of control within the meaning of Section 409A.
- (b) Notwithstanding Section 4.6(1)(b) of the Plan, any U.S. Participant must deliver to the Corporation a Share Unit Settlement Notice specifying the Share Unit Settlement Date and form of settlement for his or her RSUs or PSUs on or prior to December 31 of the calendar year prior to the calendar year of the grant; provided that, the Share Unit Settlement Date may be specified at any time prior to the grant date, if the award requires the U.S. Participant's continued service for not less than 12 months after the grant date in order to vest in such Award. Any such election of Share Unit Settlement Date shall be irrevocable as of the last date in which it is permitted to be made in accordance with the forgoing sentence. Notwithstanding the foregoing, if any U.S. Participant fails to timely submit a Share Unit Settlement Notice in accordance with the foregoing, then such U.S. Participant's Share Unit Settlement Date shall be deemed to be the fifth anniversary of the Share Unit Vesting Determination Date, in addition, such settlement shall be in the form of Shares, Cash Equivalent, or a combination of both as determined by the Corporation in its sole discretion.
- (c) For the avoidance of doubt, Section 4.6(4) of the Plan shall not apply to any Award issued to a U.S. Participant.

#### **5. Dividend Share Units**

For purposes of clarity, any Dividend Share Units issued to any U.S. Participant shall be settled at the same time as the underlying RSUs or PSUs for which they were awarded.

#### **6. Termination of Employment**

- (a) Notwithstanding Section 5.3(1)(b) of the Plan, any unvested Share Units held by a Participant that retires shall be deemed vested as of the Termination Date and shall be settled at such time as set forth in Section 3 to this Addendum.
- (b) For the avoidance of doubt, in the event that a U.S. Participant dies, his or her vested Options shall expire on the earlier of the original expiry date or one hundred and eighty days after the death of such Participant.

#### **7. Specified Employee**

Each grant of Share Units to a U.S. Participant is intended to be exempt from or comply with Code Section 409A. To the extent any Award is subject to Section 409A, then

- (a) all payments to be made upon a U.S. Participant's Termination Date shall only be made upon such individual's Separation from Service.
  - (b) if on the date of the U.S. Participant's Separation from Service the Corporation's shares (or shares of any other Corporation that is required to be aggregated with the Corporation in accordance with the requirements of Code Section 409A) is publicly traded on an established securities market or otherwise and the U.S. Participant is a Specified Employee, then the benefits payable to the Participant under the Plan that are payable due to the U.S.
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Participant's Separation from Service shall be postponed until the earlier of the originally scheduled date and six months following the U.S. Participant's Separation from Service. The postponed amount shall be paid to the U.S. Participant in a lump sum within 30 days after the earlier of the originally scheduled date and the date that is six months following the U.S. Participant's Separation from Service. If the U.S. Participant dies during such six month period and prior to the payment of the postponed amounts hereunder, the amounts delayed on account of Code Section 409A shall be paid to the U.S. Participant's estate within 60 days following the U.S. Participant's death.

## **8. Adjustments.**

Notwithstanding anything to the contrary in Article 6 of the Plan, any adjustment to an Option held by any U.S. Participant shall be made in compliance with the Code which for the avoidance of doubt may include an adjustment to the number of Shares subject thereto, in addition to an adjustment to the Exercise Price thereof.

## **9. General**

Notwithstanding any provision of the Plan to the contrary, all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Board may, in its sole discretion and without the U.S. Participant's consent, modify such provision to: (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest and penalties under Code Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Code Section 409A. Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Section 409A), and neither the Corporation nor any Subsidiary of the Corporation shall have any obligation to indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

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**APPENDIX “A”**

**FORM OF OPTION AGREEMENT**

**CARBON STREAMING CORPORATION**

**OPTION AGREEMENT**

This Stock Option Agreement (the “**Option Agreement**”) is granted by Carbon Streaming Corporation (the “Corporation”), in favour of the optionee named below (the “Optionee”) pursuant to and on the terms and subject to the conditions of the Corporation’s Omnibus Long-Term Incentive Plan (the “Plan”). Capitalized terms used and not otherwise defined in this Option Agreement shall have the meanings set forth in the Plan.

The terms of the option (the “Option”), in addition to those terms set forth in the Plan, are as follows:

1.     **Optionee.** The Optionee is [●] and the address of the Optionee is currently [●].
  2.     **Number of Shares.** The Optionee may purchase up to [●] Shares of the Corporation (the “**Option Shares**”) pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in Section 6 of this Option Agreement.
  3.     **Exercise Price.** The exercise price is Cdn \$ [●] per Option Share (the “Exercise Price”).
  4.     **Date Option Granted.** The Option was granted on [●].
  5.     **Expiry Date.** The Option terminates on [●]. (the “Expiry Date”).
  6.     **Vesting.** The Option to purchase Option Shares shall vest and become exercisable as follows:  
  
[●]
  7.     **Exercise of Option.** To exercise the Option, the Optionee shall notify the Corporation in the form annexed hereto as Schedule I, whereupon the Corporation shall use reasonable efforts to cause the Optionee to receive a certificate representing the relevant number of fully paid and non-assessable Shares in the Corporation.
  8.     **Transfer of Option.** The Option is not-transferable or assignable except in accordance with the Plan.
  9.     **Inconsistency.** This Option Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this Option Agreement and the Plan, the terms of the Plan shall govern.
  10.    **Severability.** Wherever possible, each provision of this Option Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Option Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Option Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
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- 11. **Entire Agreement.** This Option Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
- 12. **Successors and Assigns.** This Option Agreement shall bind and enure to the benefit of the Optionee and the Corporation and their respective successors and permitted assigns.
- 13. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
- 14. **Governing Law.** This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 15. **Counterparts.** This Option Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this Agreement, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereof have executed this Option Agreement as of the \_\_\_\_\_day of \_\_\_\_\_, 20\_\_ .

**CARBON STREAMING CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Witness [Insert Participant’s Name]

\_\_\_\_\_

SCHEDULE I

ELECTION TO EXERCISE STOCK OPTIONS TO

TO: CARBON STREAMING CORPORATION (the “Corporation”)

The undersigned Optionee hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated \_\_\_\_\_, 20\_\_\_\_ under the Corporation’s Omnibus Long-Term Incentive Plan (the “Plan”), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired:	
Exercise Price (per Share):	Cdn.\$
Aggregate Purchase Price:	Cdn.\$
Amount enclosed that is payable on account of any source deductions relating to this Option exercise (contact the Corporation for details of such amount):	Cdn.\$

☐ Or check here if alternative arrangements have been made with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all source deductions, and directs such Shares to be registered in the name of \_\_\_\_\_.

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this\_\_ day of\_\_\_\_\_, \_\_\_\_.

Signature of Participant

Name of Participant (Please Print)



SCHEDULE II

SURRENDER NOTICE

TO: CARBON STREAMING CORPORATION (the “Corporation”)

The undersigned Optionee hereby elects to surrender \_\_\_\_\_ Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated \_\_\_\_\_, 20\_\_\_\_ under the Corporation’s Omnibus Long-Term Incentive Plan (the “Plan”) in exchange for Shares as calculated in accordance with Section 3.6(3) of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Please issue a certificate or certificates representing the Shares in the name of \_\_\_\_\_.

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
*Signature of Participant*

\_\_\_\_\_  
*Name of Participant (Please Print)*

\_\_\_\_\_

**APPENDIX “B”**

**FORM OF RSU AGREEMENT**

**CARBON STREAMING CORPORATION**

**RESTRICTED SHARE UNIT AGREEMENT**

This restricted share unit agreement (“RSU Agreement”) is granted by Carbon Streaming Corporation (the “Corporation”) in favour of the Participant named below (the “Recipient”) of the restricted share units (“RSUs”) pursuant to the Corporation’s Omnibus Long-Term Incentive Plan (the “Plan”). Capitalized terms used and not otherwise defined in this RSU Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

1. Recipient. The Recipient is [●] and the address of the Recipient is currently [●].
  2. Grant of RSUs. The Recipient is hereby granted [●] RSUs.
  3. Restriction Period. In accordance with Section 4.3 of the Plan, the restriction period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].
  4. Performance Criteria. [●].
  5. Performance Period. [●].
  6. Vesting. The RSUs will vest as follows: [●].
  7. Transfer of RSUs. The RSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
  8. Inconsistency. This RSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Agreement and the Plan, the terms of the Plan shall govern.
  9. Severability. Wherever possible, each provision of this RSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
  10. Entire Agreement. This RSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
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- 11. Successors and Assigns. This RSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
- 12. Time of the Essence. Time shall be of the essence of this Agreement and of every part hereof.
- 13. Governing Law. This RSU Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 14. Counterparts. This RSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this RSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this RSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this RSU Agreement as of the \_\_\_\_day of \_\_\_\_\_, 20\_\_\_\_.

CARBON STREAMING CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
[Insert Participant’s Name]

\_\_\_\_\_

APPENDIX “C”

FORM OF PSU AGREEMENT

CARBON STREAMING CORPORATION

PERFORMANCE SHARE UNIT AGREEMENT

This performance share unit agreement (“PSU Agreement”) is granted by Carbon Streaming Corporation (the “Corporation”) in favour of the Participant named below (the “Recipient”) of the performance share units (“PSUs”) pursuant to the Corporation’s Omnibus Long-Term Incentive Plan (the “Plan”). Capitalized terms used and not otherwise defined in this PSU Agreement shall have the meanings set forth in the Plan.

The terms of the PSUs, in addition to those terms set forth in the Plan, are as follows:

1.       **Recipient.** The Recipient is [●] and the address of the Recipient is currently [●].
  2.       **Grant of PSUs.** The Recipient is hereby granted [●] PSUs.
  3.       **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the PSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].
  4.       **Performance Criteria.** [●].
  5.       **Performance Period.** [●].
  6.       **Vesting.** The PSUs will vest as follows: [●].
  7.       **Transfer of PSUs.** The PSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
  8.       **Inconsistency.** This PSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this PSU Agreement and the Plan, the terms of the Plan shall govern.
  9.       **Severability.** Wherever possible, each provision of this PSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this PSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this PSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
  10.      **Entire Agreement.** This PSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
-

- 11. **Successors and Assigns.** This PSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
- 12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
- 13. **Governing Law.** This PSU Agreement and the PSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 14. **Counterparts.** This PSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this PSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this PSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this PSU Agreement as of the\_\_\_\_day of \_\_\_\_\_, 20\_\_\_\_

CARBON STREAMING CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
[Insert Participant’s Name]

\_\_\_\_\_

**APPENDIX “D”**

**FORM OF U.S. PARTICIPANT/NON-EMPLOYEE DIRECTOR ELECTION**

**FORM CARBON STREAMING CORPORATION**

I \_\_\_\_\_[name] wish to defer 100% of my annual retainer (including any annual retainers or fees for service on committees of the Board) for the calendar year [\_\_\_\_\_] and any future calendar years unless and until I make a new election in accordance with the Plan and the Addendum. I, do hereby elect to have a Share Unit Settlement Date of [\_\_\_\_\_] anniversary of the grant date of such RSUs, or if earlier upon my Separation from Service in respect of all of such RSUs (including any accumulated Dividend Share Units), and otherwise in accordance with the Plan and the special provisions of the Addendum to the Plan applicable to U.S. Participants.

I understand that this election shall be irrevocable as of the last date in which I am permitted to make such election in accordance with Section 3 of the Addendum to the Plan and I shall only be permitted to revoke or modify this election up to such date. I understand that this election shall apply to any other grants of RSUs that I may be granted in the future (if any) in respect of any retainer fees payable in future calendar years (and will become irrevocable as of December 31 of the prior calendar year) until I make a later election, which election shall be made no later than the date set forth in Section 3 of the Addendum to the Plan.

All capitalized terms not defined in this Election Form have the meaning set out in the Plan.

I understand and agree that the granting and settlement of RSUs are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Election Form.

\_\_\_\_\_  
Non-Employee Director Name

Date \_\_\_\_\_

\_\_\_\_\_  
Witness

Date \_\_\_\_\_

\_\_\_\_\_

**SCHEDULE “B”**  
**AUDIT COMMITTEE CHARTER**

See attached.

## **CARBON STREAMING CORPORATION**

### **AUDIT COMMITTEE CHARTER**

#### **A. OVERVIEW AND PURPOSE**

The Audit Committee of Carbon Streaming Corporation (the “Company”) has been formed by the Company’s Board of Directors to bear responsibility for oversight of the Company’s financial reporting process, thereby complying with applicable securities legislation and policies.

The Audit Committee is responsible to the Board of Directors of the Company. The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to:

- (a) disclosure of financial and related information;
- (b) the relationship with and expectations of the external auditors of the Company, including the establishment of the independence of the external auditors;
- (c) the oversight of the Company’s internal controls; and
- (d) any other matters that the Audit Committee feels are important to its mandate or that the Board of Directors of the Company chooses to delegate to it.

The Audit Committee will approve, monitor, evaluate, advise or make recommendations in accordance with this Charter, with respect to the matters set out above.

#### **B. ORGANIZATION**

##### **1. Size and Membership Criteria**

The Audit Committee will consist of three or more Directors of the Company.

A majority of the members of the Audit Committee must be independent of management and free from any interest, business or other relationship, other than interests and relationships arising from holding common shares of the Company or other securities which are exchangeable into common shares of the Company, which could, or could reasonably be perceived to, materially interfere with the director’s ability to act in the best interests of the Company.

All members of the Audit Committee should be financially literate and be able to read and understand basic financial statements. At least one member of the Audit Committee should have accounting or related financial expertise and should be able to analyze and interpret a full set of financial statements, including notes, in accordance with generally accepted accounting principles.

##### **2. Appointment and Vacancies**

The members of the Audit Committee are appointed or reappointed by the Board of Directors following each annual meeting of the shareholders of the Company. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board of Directors of the Company or ceases to be a Director of the Company. Where a vacancy occurs at any time in the membership of the Audit Committee the Board of Directors of the Company may appoint a qualified individual to fill such vacancy and must appoint a qualified individual if the membership of the Audit Committee is less than three Directors as a result of any such vacancy.

#### **C. MEETINGS**

##### **1. Frequency**

The Audit Committee will meet at least four times per year on a quarterly basis, or more frequently as circumstances require. In addition, the Audit Committee may also meet at least once per year with management and the external auditors of the Company in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

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## **2. Chair**

The Board of Directors of the Company or, in the event of its failure to do so, the members of the Audit Committee, will appoint a Chair from amongst their number. If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, the Chair of the meeting will be chosen by the Audit Committee from among the members present.

The Audit Committee will also appoint a secretary who need not be a Director of the Company.

## **3. Time and Place of Meetings**

The time and place of meetings of the Audit Committee and the procedure at such meetings will be determined from time to time by the members of the Audit Committee, provided that:

- (a) a quorum for meetings of the Audit Committee will be two members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other, and
- (b) notice of the time and place of every meeting will be given in writing or electronically / facsimile to each member of the Audit Committee, the internal auditors, the external auditors and the corporate secretary of the Company at least 24 hours prior to the time fixed for such meeting.

Any person entitled to notice of a meeting of the Audit Committee may waive such notice (and attendance at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called).

A meeting of the Audit Committee may be called by the corporate secretary of the Company on the direction of the Chief Executive Officer of the Company, by any member of the Audit Committee or the external auditors. Notwithstanding the foregoing, the Audit Committee will at all times have the right to determine who will and will not be present at any part of the meeting of the Audit Committee.

## **4. Agenda**

The Chairman will ensure that the agenda for each upcoming meeting of the Audit Committee is circulated to each member of the Audit Committee as well as each of the external auditors and corporate secretary of the Company at the time of giving notice of the meeting of the Audit Committee.

## **5. Resources**

The Audit Committee will have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee, and to set the pay and compensation for such consultants. The Audit Committee may request any officer or employee of the Company or its subsidiaries or the legal counsel to the Company or the external auditors of the Company to attend any meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

## **D. DUTIES AND RESPONSIBILITIES**

The Board of Directors of the Company has delegated the following duties and responsibilities to the Audit Committee, and the Audit Committee shall have the sole authority and responsibility to carry out such duties and responsibilities:

### **1. Review and Reporting Procedures**

The Audit Committee will make regular reports to the Board of Directors of the Company. The Audit Committee will review and re-assess this Audit Committee Charter on an annual basis and make recommendations for changes to this Charter. The Audit Committee will also periodically perform a self-assessment of its performance against its mandate.

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## **2. Financial Reporting**

The Audit Committee will review and discuss with management, the internal auditors (as applicable) and the external auditors of the Company the following financial statements and related information prior to filing or public dissemination:

- (a) annual audited financial statements of the Company, including notes;
- (b) interim financial statements of the Company;
- (c) management discussion and analysis (“MD&A”) relating to each of the annual audited financial statements and the interim financial statements of the Company;
- (d) news releases and material change reports announcing annual or interim financial results or otherwise disclosing the financial performance of the Company, including the use of non-GAAP earnings measures;
- (e) the annual report of the Company;
- (f) all financial-related disclosure to be included in management proxy circulars of the Company in connection with meetings of shareholders; and
- (g) all financial-related disclosure to be included in or incorporated by reference into any prospectus or other offering documents that may be prepared by the Company.

As part of this review process, the Audit Committee will meet with the external auditors without management present to receive input from the external auditors with respect to the acceptability and quality of the relevant financial information.

The Audit Committee will also review the following items in relation to the above listed documents:

- (a) significant accounting and reporting issues or plans to change accounting practices or policies and the financial impact thereof;
- (b) any significant or unusual transactions;
- (c) significant management estimates and judgments; and
- (d) monthly financial statements.

Following the review by the Audit Committee of the documents set out above, the Audit Committee will provide its recommendations to the Board of Directors that such documents either be approved by the Board of Directors and filed with all applicable securities regulatory bodies and/or be sent to shareholders, or rejected and amended.

## **3. External Auditors**

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the external auditors of the Company (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing its audit report or performing other audit review or other services. As a result, the Audit Committee will review and recommend the appointment of the external auditors and the remuneration of the external auditors.

The Audit Committee will review on an annual basis the performance of the external auditors of the Company. The Audit Committee will discuss with the external auditors any disclosed relationships or non-audit services that the external auditors propose to provide to the Company or any of its subsidiaries that may impact the objectivity and independence of the external auditors in order to satisfy itself of the independence of the external auditors. In addition, the Audit Committee will review on an annual basis the scope and plan of the work to be done by the external auditors of the Company for the coming financial year.

Prior to the release of the annual financial statements of the Company, the Audit Committee will discuss certain matters required to be communicated to the Audit Committee by the external auditors in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants. The Committee will also consider the external auditors’ judgment about the quality and appropriateness of the Company’s accounting principles as applied in the Company’s financial reporting.

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#### **4. Legal and Compliance**

The Audit Committee is responsible for reviewing with management of the Company the following:

- (a) any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company and its subsidiaries which would have a material current or future effect on the financial condition of the Company;
- (b) major risk exposures facing the Company and the steps that management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies;
- (c) any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and its subsidiaries and the manner in which these matters have been disclosed in the financial statements; and
- (d) the quarterly and annual certificates of the Chief Executive Officer and the Chief Financial Officer of the Company certifying the Company's quarterly and annual financial filings.

#### **5. Internal Controls**

The Audit Committee is responsible for reviewing the adequacy of the Company's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Audit Committee is responsible for establishing procedures for the following:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees or consultants of the Company of concerns regarding questionable accounting or auditing matters.

The Audit Committee will review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors. The Audit Committee will also review the letters from the external auditors of the Company outlining the material weaknesses in internal controls noted from their audit, including relevant drafts of such letters.

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CARBON STREAMING CORPORATION



Form of Proxy – Annual and Special Meeting to be held on June 29, 2021

**Appointment of Proxyholder**  
We being the undersigned holder(s) of Carbon Streaming Corporation hereby appoint  
**Maurice Swan** or failing this person, **Justin Cochrane**

Print the name of the person you are appointing if this person  
is someone other than the Management Nominees listed herein:  
OR

as my/our proxyholder with full power of substitution and to attend, act, and to vote for and on behalf of the holder in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) and all other matters that may properly come before the Annual General and Special Meeting of Carbon Streaming Corporation to be held at 4 King Street West, Suite 401, Toronto, Ontario, Canada M5H 1B6 at 9:00 a.m. (Toronto time) or at any adjournment or postponement thereof.

1. Number of Directors. To set the number of directors to be elected at the Meeting to at six (6).	For	Against
	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Directors.	For	Withhold
A. Marc Sussin	<input type="checkbox"/>	<input type="checkbox"/>
B. Justin Cochrane	<input type="checkbox"/>	<input type="checkbox"/>
C. Saurabh Handa	<input type="checkbox"/>	<input type="checkbox"/>
D. Maurice Swan	<input type="checkbox"/>	<input type="checkbox"/>
E. Andy Tester	<input type="checkbox"/>	<input type="checkbox"/>
F. Jeanne Ursini	<input type="checkbox"/>	<input type="checkbox"/>
3. Appointment of Auditors. Appointment of Baker Tilly WM LLP, Chartered Professional Accountants, as Auditor of the Company for the ensuing year and authorizing the Directors to fix their remuneration.	For	Withhold
	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Omnibus LTIP. To consider and, if deemed advisable, pass an ordinary resolution, the full text of which is set out in the Management Information Circular of the Company, confirming and approving the omnibus long term incentive plan of the Company.	For	Against
	<input type="checkbox"/>	<input type="checkbox"/>

Authorized Signature(s) – This section must be completed for your instructions to be executed.

I/we authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. If no voting instructions are indicated above, this Proxy will be voted as recommended by Management.

Signature(s):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date  
\_\_\_\_/\_\_\_\_/\_\_\_\_  
MM / DD / YY

Interim Financial Statements – Check the box to the right if you would like to RECEIVE interim financial statements and accompanying Management's Discussion & Analysis by mail. See reverse for instructions to sign up for delivery by email.

☐

Annual Report – Check the box to the right if you would like to RECEIVE to receive the Annual Report and accompanying Management's Discussion and Analysis by mail.

☐

This form of proxy is solicited by and on behalf of Management.

Proxies must be received by 9:00 a.m., Toronto time, on June 25, 2021.

**Notes to Proxy**

1. Each holder has the right to appoint a person, who need not be a holder, to attend and represent him or her at the Annual and Special Meeting. If you wish to appoint a person other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided on the reverse.
2. If the securities are registered in the name of more than one holder (for example, joint ownership, trustees, executors, etc.) then all of the registered owners must sign this proxy in the space provided on the reverse. If you are voting on behalf of a corporation or another individual, you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name appears on the proxy.
4. If this proxy is not dated, it will be deemed to bear the date on which it is mailed by Management to the holder.
5. The securities represented by this proxy will be voted as directed by the holder; however, if such a direction is not made in respect of any matter, this proxy will be voted as recommended by Management.
6. The securities represented by this proxy will be voted or withheld from voting, in accordance with the instructions of the holder, on any ballot that may be called for and, if the holder has specified a choice with respect to any matter to be acted on, the securities will be voted accordingly.
7. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the meeting.
8. This proxy should be read in conjunction with the accompanying documentation provided by Management.

**INSTEAD OF MAILING THIS PROXY, YOU MAY SUBMIT YOUR PROXY USING SECURE ONLINE VOTING AVAILABLE ANYTIME:**



To Vote Your Proxy Online please visit:

<https://login.odysseytrust.com/voting> and click on

**VOTE**

You will require the CONTROL NUMBER printed with your address to the right. If you vote by Internet, do not mail this proxy.

To request the receipt of future documents via email and/or to sign up for Securityholder Online services,

you may contact Odyssey Trust Company at [www.odysseycontact.com](http://www.odysseycontact.com)

[Shareholder Address and Control Number Here](#)

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual. A return envelope has been enclosed for voting by mail.

**Notice of Annual and  
Special Meeting of Shareholders**

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**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares of Carbon Streaming Corporation (the “**Company**”) will be held at the offices of the Company, 4 King Street West, Suite 401, Toronto, Ontario, Canada, M5H 1B6 on Tuesday, June 29, 2021 at the hour of 9:00 a.m. (Toronto Time), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the financial year ended June 30, 2020 together with the report of the auditor thereon;
2. to fix the number of directors of the Company at six;
3. to elect directors of the Company for the ensuing year;
4. to appoint Baker Tilly WM LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the board of directors to fix their remuneration;
5. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the Company’s Omnibus Long Term Incentive Plan (and ratifying certain prior grants thereunder), as more particularly described in the accompanying Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

**IMPACT OF COVID-19**

**This year, to proactively deal with the ongoing public health impact of the ongoing novel coronavirus disease pandemic (“COVID-19”), to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, and in order to comply with the measures imposed by the federal and provincial governments, shareholders of the Company are respectfully asked not to attend in person at the Meeting. All shareholders of the Company are strongly encouraged to cast their vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Circular accompanying this Notice.**

The specific details of the foregoing matters to be put before the Meeting are set forth in the accompanying Management Information Circular (the “**Circular**”), which is deemed to form part of this Notice of Meeting. The audited consolidated financial statements and related management’s discussion and analysis (“**MD&A**”) for the Company for the financial year ended June 30, 2020 is mailed to those shareholders who have previously requested to receive them. Otherwise, they are available upon request to the Company, on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company’s website at [www.carbonstreaming.com](http://www.carbonstreaming.com). This Notice of Meeting is accompanied by the Circular, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders and a supplemental mailing list return card (collectively, the “**Meeting Materials**”). Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose.

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The Meeting Materials will be available on the Company's website as of June 4, 2021 and will remain on the website for one full year thereafter. The Meeting Materials will also be available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) as of June 4, 2021. The Company will mail paper copies of the applicable Meeting Materials to those registered and beneficial shareholders who previously elected to receive paper copies. Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling +1 647 846 7765 or by email at [info@carbonstreaming.com](mailto:info@carbonstreaming.com). If you have any questions about the information contained in this Information Circular, or require any assistance in completing your form of proxy, please contact the Company by phone at +1 647 846 7765 or by e-mail at [info@carbonstreaming.com](mailto:info@carbonstreaming.com).

The board of directors of the Company has, by resolution, fixed the close of business on May 19, 2021 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof. Proxies to be used at the Meeting must be deposited with the Company, c/o the Company's transfer agent, c/o Odyssey Trust Company, 702-67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department or online at <https://login.odysseytrust.com/pxlogin>, no later than 9:00 a.m. (Toronto Time) on June 25, 2021, or no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournments or postponements thereof is held. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice. Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

**DATED** at Toronto, Ontario this 28th day of May, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
CARBON STREAMING CORPORATION**

*(signed) Justin Cochrane*

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Justin Cochrane  
President & Chief Executive Officer



## NEWS RELEASE

**CARBON STREAMING ANNOUNCES INVESTMENT INTO TWO CARBON CREDIT PROJECTS IN THE BONOBO PEACE FOREST**

TORONTO, ONTARIO, June 3, 2021 – Carbon Streaming Corporation (“CSC” or the “Company”) is pleased to announce it has entered into an exclusive term sheet with the Bonobo Conservation Initiative (“BCI”) to provide initial funding for BCI to develop two carbon credit projects within the Bonobo Peace Forest (“BPF”) located in the Democratic Republic of Congo (“DRC”). These projects are dedicated to the preservation of the endangered bonobo species (*Pan paniscus*), a great ape and one of humanity’s closest genetic relatives, and their native rainforest habitat.

The Bonobo Peace Forest is a growing network of community-managed protected areas, creating a unique biodiversity conservation corridor for bonobos and other wildlife. The BPF currently spans 5,258,700 hectares (ha), an area larger than Massachusetts, Connecticut and Rhode Island combined. The two projects account for over 67% of the total area within the BPF and offer a combined potential to avoid and remove hundreds of millions of tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) over the 30-year span of the agreement. These projects also generate multiple social and economic benefits for local communities which will spearhead the biodiversity conservation measures.

Justin Cochrane, President & CEO of the Company stated, “Carbon Streaming is thrilled to be partnering with BCI to develop these two vital projects that fight climate change, invest in their local communities and protect the endangered bonobos and many other species.” Mr. Cochrane continued, “This investment builds on CSC’s previously announced blue carbon project investment in Mexico and shows our commitment to supporting carbon credit projects around the world that also provide substantial community and biodiversity benefits.”

The two carbon credit projects in the BPF will mitigate current threats of deforestation and degradation through natural resource management. They are located within the Sankuru Nature Reserve (3,057,000 ha) and the Kokolopori Bonobo Reserve (479,480 ha). The Sankuru Reserve contains some of the highest biomass forests in the Congo Basin at 400+ tonnes per hectare. The Kokolopori Bonobo Reserve is BCI’s flagship community conservation site and boasts one of the world’s largest known bonobo populations. Several bonobo groups here are uniquely habituated to the presence of humans, affording opportunities for scientific research and ecotourism.

The REDD+ framework developed by the United Nations Framework Convention on Climate Change (UNFCCC) will be used to define the projects, both of which are anticipated to be certified through the Verified Carbon Standards (VCS) administered by Verra, an international institution based in Washington D.C. that manages carbon credit standards.

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BCI, established in 1998, champions a community-based conservation approach in which local people steward their own natural resources. The BCI team, led by Founder & President Sally Jewell Cox, brings extensive management experience in REDD+ project development, including monitoring and evaluation, community outreach, training, capacity building, and biodiversity conservation management. BCI team members have executed multiple carbon credit and conservation projects around the globe, including validation of the first VCS REDD+ project in the DRC. BCI has earned a strong reputation for its commitment to making community development a centerpiece of sustainable conservation efforts. The program offers additional co-benefits contributing alternative sources of income for thriving local communities.

CSC was advised by Carbon Advisors LLC and Stikeman Elliott LLP acted as legal counsel to CSC.

### **About the Bonobo Peace Forest**

Twenty years in the making, BCI's Bonobo Peace Forest initiative has been supported by a host of past and present partnerships with local communities, NGO conservation groups, government ministries, multinationals, humanitarian organizations, celebrities, and scientific institutions including, but not limited to: *Vie Sauvage*, DRC Ministry of the Environment, Congolese Institute for Conservation of Nature (ICCN), United Nations, Conservation International, the African Development Bank, DFID, USAID, *Care2*, the Max Planck Institute for Evolutionary Biology, Harvard University, and the DRC Center for Research in Ecology and Forestry (CREF). The indigenous Mongandu, in partnership with BCI and managing partner NGO *Vie Sauvage*, have initiated several promising livelihood programs such as sustainable agriculture, micro-credit and conservation enterprises, a health clinic, and aid for local schools. In 2020, *Vie Sauvage* was awarded the United Nations' prestigious Equator Prize.

### **About Carbon Streaming Corporation**

Carbon Streaming Corporation is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. The Company intends to invest capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

### **ON BEHALF OF THE COMPANY:**

*"Justin Cochrane"*

Justin Cochrane, President and CEO

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

More information on the Bonobo Conservation Initiative can be found on their website at <https://www.bonobo.org>.

### **Cautionary Statement Regarding Forward-Looking Information**

This news release contains certain information which constitutes 'forward-looking statements' and 'forward-looking information' within the meaning of applicable Canadian securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend" or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to: statements and figures with respect to the development, implementation, validation and verification of carbon projects; statements and figures with respect to the generation of local community benefits; statements with respect to the conservation and protection of forestry and endangered species; statements with respect to the creation of carbon credits; and, statements with respect to the business and assets of the Company and its strategy going forward. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, most of which are beyond the Company's control. Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements.

The forward-looking statements contained herein are made as of the date of this release and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.

No securities regulatory authority has approved of the contents of this news release.

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**CARBON STREAMING CORPORATION**  
(formerly Mexivada Mining Corp.)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**THREE AND NINE MONTHS ENDED MARCH 31, 2021 AND 2020**

**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**CARBON STREAMING CORPORATION (Formerly Mexivada Mining Corp.)**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars) (Unaudited)**

	As at March 31, 2021	As at June, 2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 35,408,356	\$ 310,202
Amounts receivable and prepaid	222,146	2,934
<b>Total Assets</b>	<b>\$ 35,630,502</b>	<b>\$ 313,136</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 3)	\$ 447,645	\$ 131,815
<b>Total Liabilities</b>	<b>447,645</b>	<b>131,815</b>
<b>Shareholders' Equity</b>		
Share capital (Note 4)	50,368,273	14,551,527
Reserves	3,961,531	1,885,388
Deficit	(19,146,947)	(16,255,594)
<b>Total Shareholders' Equity</b>	<b>35,182,857</b>	<b>181,321</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 35,630,502</b>	<b>\$ 313,136</b>

Nature and continuance of operations (Note 1)  
Subsequent events (Note 9)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CARBON STREAMING CORPORATION (Formerly Mexivada Mining Corp.)

Condensed Interim Consolidated Statements of Net and Comprehensive Loss

(Expressed in Canadian Dollars) (Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Expenses				
Salaries and fees (Note 6)	\$ 269,163	\$ -	\$ 299,163	\$ -
Consulting fees (Note 6)	149,318	7,500	627,670	7,500
Foreign exchange gain	96,940	16,415	96,940	15,069
Office and general	61,275	-	66,243	-
Professional fees	89,706	2,500	128,981	17,500
Regulatory fees	15,903	57,283	29,206	57,283
Share based compensation (Notes 5 and 6)	1,643,150	-	1,643,150	-
Net and Comprehensive Loss for the Period	\$ (2,325,455)	\$ (83,698)	\$ (2,891,353)	\$ (97,352)
Basic and Diluted Loss per Share	\$ (0.06)	\$ (0.12)	\$ (0.12)	\$ (0.14)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	39,716,696	695,636	23,292,225	695,636

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**CARBON STREAMING CORPORATION (Formerly Mexivada Mining Corp.)**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars) (Unaudited)**

	Nine Months Ended March 31,	
	2021	2020
<b>Operating Activities</b>		
Net loss for the period	\$ (2,891,353)	\$ (97,352)
Items not affecting cash		
Foreign exchange	-	15,069
Share based compensation	1,643,150	-
Changes in non-cash working capital items:		
Amounts receivable and prepaid	(219,212)	-
Accounts payable and accrued liabilities	315,830	14,646
<b>Net Cash Used in Operating Activities</b>	<b>(1,151,585)</b>	<b>(67,637)</b>
<b>Financing Activities</b>		
Common shares issued for cash (Note 4(b))	36,249,739	-
Loans payable	-	67,637
<b>Net Cash provided by Financing Activities</b>	<b>36,249,739</b>	<b>67,637</b>
<b>Net change in Cash</b>	<b>35,098,154</b>	<b>-</b>
<b>Cash, Beginning of Period</b>	<b>310,202</b>	<b>-</b>
<b>Cash, End of Period</b>	<b>\$ 35,408,356</b>	<b>\$ -</b>
<b><u>Supplemental Information</u></b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

The accompanying notes are an integral part of these condensed interim consolidated financial statements

**CARBON STREAMING CORPORATION (Formerly Mexivada Mining Corp.)**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' (Deficiency) Equity**  
**(Expressed in Canadian Dollars) (Unaudited)**

	Share Capital		Warrant reserve	Share- based payment reserve	Deficit	Total
	Number	Amount				
<b>Balance, June 30, 2019</b>	<b>695,636</b>	<b>\$13,846,500</b>	<b>\$ -</b>	<b>\$1,885,388</b>	<b>\$(16,146,840)</b>	<b>\$ (414,952)</b>
Net loss for the period	-	-	-	-	(97,352)	(97,352)
<b>Balance, March 31, 2020</b>	<b>695,636</b>	<b>13,846,500</b>	<b>-</b>	<b>1,885,388</b>	<b>(16,244,192)</b>	<b>(512,304)</b>
Shares issued for cash	14,280,000	714,000	-	-	-	714,000
Share issuance costs	-	(8,973)	-	-	-	(8,973)
Net loss for the period	-	-	-	-	(11,402)	(11,402)
<b>Balance, June 30, 2020</b>	<b>14,975,636</b>	<b>14,551,527</b>	<b>-</b>	<b>1,885,388</b>	<b>(16,255,594)</b>	<b>181,321</b>
Shares issued for cash, net of costs (Note 4 (b)(i)(ii)(iii))	62,819,268	35,816,746	432,993	-	-	36,249,739
Share based compensation (Note 5)	-	-	-	1,643,150	-	1,643,150
Net loss for the period	-	-	-	-	(2,891,353)	(2,891,353)
<b>Balance, March 31, 2021</b>	<b>77,794,904</b>	<b>\$50,368,273</b>	<b>\$432,993</b>	<b>\$3,528,538</b>	<b>\$(19,146,947)</b>	<b>\$35,182,857</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

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**CARBON STREAMING CORPORATION (Formerly Mexivada Mining Corp.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars) (Unaudited)**

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**1. Nature and continuance of operations**

Carbon Streaming Corporation (formerly Mexivada Mining Corp.) (the “Company”) was incorporated on September 13, 2004 under the Business Corporations Act (British Columbia), and historically its principal activity has been the exploration of mineral properties.

On June 15, 2020, the Company changed its name to Carbon Streaming Corporation and repurposed its principal activity as a streaming and royalty investment vehicle that offers investors exposure to carbon credits, a key instrument being used by both governments and corporations to achieve their climate goals, and to provide investors a way to invest in a low carbon future. The Company’s shares are not presently listed for trading on any stock exchange.

The head office, principal address and records office of the Company are located at 4 King Street West, Toronto, Ontario, Canada, M5H 1B6. The Company’s registered address is Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J5.

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These condensed interim consolidated financial statements of the Company for the three and nine months ended March 31, 2021 were approved and authorized for issue by the Board of Directors on May 28, 2021.

**2. Significant accounting policies and basis of presentation**

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

The same accounting policies and methods of computation are followed in these condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended June 30, 2020.

Basis of preparation

These condensed interim consolidated financial statements have been prepared on an accrual basis, except for cash flow information and are based on historical costs, modified where applicable for financial instruments measured at fair value. These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

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**CARBON STREAMING CORPORATION (Formerly Mexivada Mining Corp.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars) (Unaudited)**

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**2. Significant accounting policies and basis of presentation (continued)**

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, 1253661 B.C. Ltd., which was acquired on June 17, 2020 in conjunction with a three-cornered amalgamation (the “Transaction”).

The three-cornered amalgamation was executed between a then existing subsidiary of the Company, 1247374 B.C. Ltd. (“Subco”), and a third company 1247372 B.C. Ltd (“Fundco”). At the time of the Transaction, neither Subco nor Fundco met the definition of a business under IFRS 3, *Business Combinations*. Prior to the Transaction, Fundco had advanced loans to the Company. The Transaction was recognized as a transaction with owners whereby the Company received cash of \$714,000, less issuance costs, and issued 14,280,000 common shares to the former shareholders of Fundco. Subco and Fundco amalgamated as part of the Transaction and continued as 1253661 B.C. Ltd.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Accounting standards, amendments and interpretations issued

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

**3. Accounts payable and accrued liabilities**

	As at March 31, 2021	As at June, 2021
Accounts payable	\$ 447,645	\$ 76,443
Accrued liabilities	-	47,872
Due to related parties	-	7,500
	<u>\$ 447,645</u>	<u>\$ 131,815</u>

**4. Share capital**

a) Authorized share capital

Unlimited number of voting common shares without par value and unlimited number of preferred shares without par value.

b) Issued share capital

On June 15, 2020, the Company completed a 100-old for 1-new share consolidation and a name change. All common shares, warrants, options, loss per share and weighted average number of shares outstanding have been retroactively restated to reflect this share consolidation.

At March 31, 2021, there were 77,794,904 issued and fully paid common shares (June 30, 2020 – 14,975,636).

(i) During December 2020, the Company, in two tranches, issued 4,850,000 units for gross proceeds of \$242,500. Each unit is comprised of one common share and one share purchase warrant, with 1,400,000 warrants exercisable at \$0.125 until December 16, 2025 and 3,450,000 warrants exercisable at \$0.125 until December 22, 2025.



**CARBON STREAMING CORPORATION (Formerly Mexivada Mining Corp.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars) (Unaudited)**

**4. Share capital (continued)**

(ii) On January 27, 2021, the Company closed a non-brokered private placement of 14,670,000 units at \$0.25 per unit for gross proceeds of \$3,667,500. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.75 until January 27, 2026.

(iii) On March 11, 2021, the Company closed a non-brokered private placement of 43,299,268 units at \$0.75 per unit for gross proceeds of \$32,474,451. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$1.50 until March 2, 2026. In connection with this private placement, the Company paid cash commission of \$43,200 and other cash costs of \$91,512. The warrants were valued at \$0.01 per warrant for an aggregate value of \$432,993 using the residual method.

**5. Stock options and restricted share units**

(a) Stock options

The Company has a stock option plan where the directors are authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company.

The following table reflects the continuity of stock options for the periods ended March 31, 2021 and 2020:

	Number of stock options	Weighted average exercise price (CAD\$)
<b>Balance, March 31, 2020 and June 30, 2020</b>	-	-
Granted (i)	2,950,000	0.75
<b>Balance, March 31, 2021</b>	<b>2,950,000</b>	<b>0.75</b>

(i) On March 31, 2021, the Company granted a total of 2,950,000 stock options to certain directors, officers, advisors and consultants of the Company. The stock options are exercisable at a price of \$0.75 per share, expire on March 31, 2026 and vested immediately. The fair value of the stock options was estimated to be \$1,643,150 using the Black- Scholes option pricing model and the following assumptions: exercise price of \$0.75, share price of \$0.75, risk free interest rate of 0.99%, an expected life of 5 years and an expected volatility of 100%.

The following table reflects the Company's stock options outstanding and exercisable as at March 31, 2021:

Options outstanding	Options exercisable	Grant date fair value (\$)	Weighted average exercise price (CAD\$)	Weighted average remaining contractual life (years)	Expiry date
2,950,000	2,950,000	-	0.75	5.00	March 31, 2026

**CARBON STREAMING CORPORATION (Formerly Mexivada Mining Corp.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars) (Unaudited)**

**5. Stock options and restricted share units (continued)**

(b) Restricted share units (“RSU”)

The maximum aggregate number of shares reserved for issuance under the RSU Plan, together with the Company’s stock option plan shall not exceed a combined total of 10% of the Company’s issued and outstanding shares.

	<b>Number of RSUs</b>
<b>Balance, March 31, 2020 and June 30, 2020</b>	<b>-</b>
Granted (i)	2,200,000
<b>Balance, March 31, 2021</b>	<b>2,200,000</b>

(i) On March 31, 2021, the Company granted 2,200,000 RSUs to certain officers, directors and consultants which at the Board’s discretion can be settled in cash, equity or a combination thereof and vest as follows: 733,333 on the first, second and third anniversaries of the date of grant. The grant date fair value of the RSUs was \$1,908,885.

For the three and nine months ended March 31, 2021, the Company recorded share based compensation expense for these RSU’s of \$nil.

**6. Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company’s executive officers and members of the Board of Directors.

Remuneration of key management personnel of the Company was as follows:

	<b>Three Months Ended March 31,</b>		<b>Nine Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Salaries and fees <sup>(1)</sup>	\$ 120,706	\$ 2,500	\$ 290,738	\$ 7,500
Consulting fees <sup>(1)</sup>	38,236	-	38,236	-
Share based compensation	946,900	-	946,900	-
	<b>\$ 1,105,842</b>	<b>\$ 2,500</b>	<b>\$ 1,275,874</b>	<b>\$ 7,500</b>

<sup>(1)</sup> Management fees and salaries paid to the executive officers and directors for their services.

## **7. Financial instrument fair value and risks factors**

### ***Fair value***

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash, accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value. Cash is measured based on Level 1 input of the fair value hierarchy.

### ***Risk factors***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### ***Credit Risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is mainly held in credit worthy financial institutions and in trust with the Company's legal counsel. Credit risk has been assessed as low.

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

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in United States dollars while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's held cash of \$22,843,102 in Canadian dollars and \$12,565,254 in United States dollars. As the Company has a number of transactions in foreign currencies, currency risk has been assessed as moderate.

Assuming all other variables remain constant, a 5% weakening or strengthening of the Canadian dollar against the US dollar would result in a change of approximately \$632,000 to loss and comprehensive loss.

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank account was subject to the movements in interest rates. The Company has no-interest bearing debt. Therefore, interest rate risk has been assessed as nominal.

#### ***Liquidity Risk***

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions, liquidity risk has been assessed as low.

## **8. Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of \$35,182,857 at March 31, 2021 (June 30, 2020 - \$181,321).

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

## **9. Subsequent events**

(i) On May 17, 2021, the Company announced its first carbon credit streaming investment. Carbon Streaming Corporation has agreed to invest US\$6 million to implement the proposed MarVivo Blue Carbon Conservation Project in Magdalena Bay in Baja California Sur, Mexico which is focused on the conservation of mangrove forests and their associated marine habitat. The project is anticipated to be one of the largest blue carbon conservation projects in the world and once implemented is estimated to reduce emissions by 26 million tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) over 30 years by conserving and sustainably managing approximately 22,000 hectares of mangroves and 137,000 hectares of its marine environment across Baja's largest mangrove forest.

(ii) On May 12, 2021, the Company closed a non-brokered private placement of 11,611,000 shares at \$1.00 per share for gross proceeds of \$11,611,000. Also on May 12, 2021, the Company issued 8,900,000 shares for the exercise of warrants at an exercise price of \$0.125 for gross proceeds of \$1,112,500.

(iii) On May 28, 2021, the Company issued 4,380,000 shares for the exercise of warrants at an exercise price of \$0.125 for gross proceeds of \$547,500.

(iv) On April 9, 2021, in exchange for services, the company issued 333,333 units. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$1.50 until March 2, 2026.



**CARBON STREAMING CORPORATION**  
(Formerly Mexivada Mining Corp.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2021**

This management's discussion and analysis ("MD&A") reviews the significant activities of Carbon Streaming Corporation (formerly Mexivada Mining Corp.) ("CSC" or the "Company") and analyzes the financial results for the three and nine months ended March 31, 2021. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended March 31, 2021 of the Company with the related notes thereto, and the Company's audited annual consolidated financial statements for the year ended June 30, 2020 and the related notes thereto, which are available for viewing on [www.sedar.com](http://www.sedar.com).

All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is May 28, 2021.

Management is responsible for the preparation and integrity of the Company's unaudited condensed interim consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's financial statements and MD&A, is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Although such information is considered to be accurate, actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

**Overview**

Carbon Streaming Corporation (formerly Mexivada Mining Corp.) was incorporated on September 13, 2004 under the Business Corporations Act (British Columbia), and historically its principal activity has been the exploration of mineral properties.

On June 15, 2020, the Company changed its name to Carbon Streaming Corporation and repurposed its principal activity as a streaming and royalty investment vehicle that offers investors exposure to carbon credits, a key instrument being used by both governments and corporations to achieve their climate goals, and to provide investors a way to invest in a low carbon future. The Company's shares are not presently listed for trading on any stock exchange.

The head office, principal address and records office of the Company are located at 4 King Street West, Toronto, Ontario, Canada, M5H 1B6. The Company's registered address is Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J5.

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### **Corporate Restructuring**

On May 21, 2020, at the Company's annual general meeting of shareholders, three new directors were appointed, to expand the Company's board to four members. On June 15, 2020, the Company completed a 100-old for 1-new share consolidation and a name change to Carbon Streaming Corporation. All common shares, warrants, options, loss per share and weighted average number of shares outstanding have been retroactively restated to reflect this share consolidation.

During September 2020, Richard Redfern resigned from the Company's board of directors and as Chief Executive Officer.

During January 2021, Colin Watt, Ming Jang and Edgar Froese resigned as directors of the Company and were replaced by Justin Cochrane, Maurice Swan and Andy Tester. Mr. Cochrane was also appointed as Chief Executive Officer of the Company. In addition, Mark Gelmon resigned as Chief Financial Officer of the Company and was replaced by Conor Kearns.

In April 2021, the Company announced the resignation of Justin Cochrane from the Board of Directors to facilitate and make room on the board for the appointment of three new directors with extensive experience in stream financing, investments, renewable energy, and corporate finance. Mr. Cochrane will continue to serve as the Company's President and Chief Executive Officer and intends to rejoin the board at the next annual general meeting of the Company. The Company appointed Saurabh Handa, Marc Bustin and Jeanne Usonis to the Board of Directors.

The Company intends to become an investment company, focused on the regulated and voluntary carbon offset and sequestration sectors. The Company has recently raised new capital through the sale of equity (see "Financings" section below). However, there is no assurance that it will be successful in finding investments to deploy its capital.

### **Amalgamation**

In June 2020, the Company completed an amalgamation with 1247372 B.C. Ltd. ("Fundco"). Fundco previously raised \$714,000 on a unit private placement basis at \$0.05 per unit and had loaned funds to the Company to enable the Company to settle the majority of its outstanding liabilities. As a result of the amalgamation, the Company issued 14,280,000 shares to the Fundco shareholders, and an equivalent number of warrants exercisable at \$0.125 per share until April 22, 2025. The Company incurred issuance costs totalling \$8,973 in conjunction with this transaction.

### **Financings**

During December 2020, the Company issued 4,850,000 units for gross proceeds of \$242,500. Each unit is comprised of one common share and one share purchase warrant, with 1,400,000 warrants exercisable at \$0.125 until December 16, 2025 and 3,450,000 warrants exercisable at \$0.125 until December 22, 2025.

On January 27, 2021, the Company closed a non-brokered private placement of 14,670,000 units at \$0.25 per unit for gross proceeds of \$3,667,500. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.75 until January 27, 2026.

On March 11, 2021, the Company closed a non-brokered private placement of 43,299,268 units at \$0.75 per unit for gross proceeds of \$32,474,451. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$1.50 until March 2, 2026.

On May 12, 2021, the Company closed a non-brokered private placement of 11,611,000 shares at \$1.00 per share for gross proceeds of \$11,611,000. Also on May 12, 2021, the Company issued 8,900,000 shares for warrants that were exercised at \$0.125 per warrant for gross proceeds of \$1,112,500.

On May 28, 2021, the Company issued 4,380,000 shares for the exercise of warrants at an exercise price of \$0.125 for gross proceeds of \$547,500.

On April 9, 2021, in exchange for services, the company issued 333,333 units. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$1.50 until March 2, 2026.

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### **Stream Investment**

On May 17, 2021, the Company announced its first carbon credit streaming investment. Carbon Streaming Corporation has agreed to invest US\$6 million to implement the proposed MarVivo Blue Carbon Conservation Project in Magdalena Bay in Baja California Sur, Mexico which is focused on the conservation of mangrove forests and their associated marine habitat. The project is anticipated to be one of the largest blue carbon conservation projects in the world and once implemented is estimated to reduce emissions by 26 million tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) over 30 years by conserving and sustainably managing approximately 22,000 hectares of mangroves and 137,000 hectares of its marine environment across Baja's largest mangrove forest.

MarVivo Stream Investment Highlights:

- US\$2.0 million initial investment into MarVivo Corporation, paid in cash on closing, followed by four separate US\$1.0 million investments at specific project milestones during development, implementation, validation and verification by Verra, an international institution based in Washington D.C. that manages carbon credit standards, so that "blue carbon" credits may be generated. These investments will be funded by the Company's cash-on-hand. Closing is conditional on completion of customary conditions precedent.
- Each year, the Company will have the right to purchase the greater of 200,000 credits or 20% of the annual verified carbon credits from the MarVivo Blue Carbon Project.
- The Company will make ongoing payments to MarVivo Corporation equal to 40% of CSC's net revenue from the sale of the carbon credits from the project.
- The MarVivo Stream agreement will run for a term of 30 years starting on date of the first delivery of carbon credits, which is expected to occur in H1 2023.

### **Stock Options and Restricted Share Unit ("RSU") Grants**

On March 31, 2021, the Company granted 2,950,000 stock options to certain directors, officers, advisors and consultants of the Company. The stock options are exercisable at a price of \$0.75 per share, expire on March 31, 2026 and vested immediately.

On March 31, 2021, the Company granted 2,200,000 RSUs to certain officers, directors, and consultants which at the Board's discretion can be settled in cash, equity, or a combination thereof and vest as follows: 733,333 on the first, second and third anniversaries of the date of grant.

### **Results of Operations**

#### **For the three months ended March 31, 2021 compared to the three months ended March 31, 2020**

The Company incurred a loss of \$2,325,455 during the three months ended March 31, 2021 compared to a loss of \$83,698 for the three months ended March 31, 2020. The results for the three months ended March 31, 2021 were primarily due to the following items:

- During the three months ended March 31, 2021, the Company recorded an increase of \$1,643,150 of share-based compensation over the 2020 comparative period. The Company granted 2,950,000 stock options and 2,200,000 RSUs during the three months ended March 31, 2021 compared to nil for the comparative period. Stock-based compensation expense will vary from period to period depending upon the number of options and RSUs granted and vested during a period and the fair value of the options and RSUs calculated as at the grant date.
  - During the three months ended March 31, 2021, the Company recorded an increase of \$269,163 in salaries and fees over the comparative period. This represents the salaries and fees of the new management and directors tasked with refocusing the Company's business.
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- The Company incurred \$149,318 of consulting fees for the three months ended March 31, 2021 compared to \$7,500 for the three months ended March 31, 2020. The increase of \$141,818 is in line with the Company's transition to an investment company, focused on the regulated and voluntary carbon offset and sequestration sectors.

#### **For the nine months ended March 31, 2021 compared to the nine months ended March 31, 2020**

The Company incurred a loss of \$2,891,353 during the nine months ended March 31, 2021 compared to a loss of \$97,352 for the nine months ended March 31, 2020. The results for the nine months ended March 31, 2021 were primarily due to the following items:

- During the nine months ended March 31, 2021, the Company recorded an increase of \$1,643,150 of share-based compensation over the 2020 comparative period. The Company granted 2,950,000 stock options and 2,200,000 RSUs during the nine months ended March 31, 2021 compares to nil for the comparative period. Stock-based compensation expense will vary from period to period depending upon the number of options and RSUs granted and vested during a period and the fair value of the options and RSUs calculated as at the grant date.
- During the nine months ended March 31, 2021, the Company recorded an increase of \$299,163 in salaries and fees over the comparative period. This represents the salaries and fees of the new management and directors tasked with refocusing the Company's business.
- The Company incurred \$627,670 of consulting fees for the nine months ended March 31, 2021 compared to \$7,500 for the nine months ended March 31, 2020. The increase of \$620,170 is in line with the Company's transition to an investment company, focused on the regulated and voluntary carbon offset and sequestration sectors.

#### **Summary of Quarterly Results**

The following is a summary of certain financial information for each of the eight most recently completed quarters:

	<i>Three Months Ended Mar 31, 2021</i>	<i>Three Months Ended Dec 31, 2020</i>	<i>Three Months Ended Sept 30, 2020</i>	<i>Three Months Ended June 30, 2020</i>
<i>Total assets</i>	<i>\$ 35,630,502</i>	<i>\$ 1,287,778</i>	<i>\$ 346,610</i>	<i>\$ 313,136</i>
<i>Working capital (deficiency)</i>	<i>35,182,857</i>	<i>627,923</i>	<i>155,201</i>	<i>181,321</i>
<i>Loss for the period</i>	<i>(2,325,455)</i>	<i>(539,778)</i>	<i>(26,120)</i>	<i>(11,402)</i>
<i>Loss per share</i>	<i>(0.06)</i>	<i>(0.04)</i>	<i>(0.00)</i>	<i>(0.00)</i>
	<i>Three Months Ended Mar 31, 2020</i>	<i>Three Months Ended Dec 31, 2019</i>	<i>Three Months Ended Sept 30, 2019</i>	<i>Three Months Ended June 30, 2019</i>
<i>Total assets</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>Working capital (deficiency)</i>	<i>(512,304)</i>	<i>(428,606)</i>	<i>(424,597)</i>	<i>(414,952)</i>
<i>Loss for the period</i>	<i>(83,698)</i>	<i>(4,009)</i>	<i>(9,645)</i>	<i>(8,712)</i>
<i>Loss per share</i>	<i>(0.12)</i>	<i>(0.01)</i>	<i>(0.01)</i>	<i>(0.01)</i>



## **Related Party Transactions**

### ***Related party balances***

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

***Remuneration of key management personnel of the Company was as follows:***

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Salaries and fees	\$ 120,706	\$ 2,500	\$ 290,738	\$ 7,500
Consulting fees	\$ 38,236	nil	\$ 38,236	nil
Share-based compensation	\$ 946,900	nil	\$ 946,900	nil

## **Liquidity and Cash Flow**

The Company has no business or operations, and no positive operating cash flow. As at March 31, 2021, the Company had working capital of \$35,182,857 inclusive of cash on hand of \$35,408,356. This compares to working capital of \$181,321 as at June 30, 2020, inclusive of cash on hand of \$310,202.

As at March 31, 2021, the Company had current and total assets of \$35,630,502 (June 30, 2020 - \$313,136) and total liabilities of \$447,645 (June 30, 2020 - \$131,815). The Company does not have any long-term debt.

During the current quarter, the Company raised approximately \$36 million through two private placements. See "Financings" section above.

## **Other Events**

There are no known trends, risks or demands affecting the Company except for capital market uncertainty and business disruptions caused by the Covid-19 global pandemic. The future impact of the outbreak is highly uncertain and cannot be predicted. There can be no assurance that such disruptions, delays, and expenses will not have a material adverse impact on our business objectives and milestones over the next 12 months.

The major operating milestones affecting or pertaining to the Company are: (i) to make initial acquisitions in the regulated and voluntary carbon offset and sequestration sectors; and (ii) to seek to resume trading on a stock exchange in Canada. There is no assurance any of the above will occur.

The Company has no off-balance sheet arrangements as at the date of this MD&A.

The Company has no undisclosed proposed transactions as at the date of this MD&A.

The Company has not adopted any new accounting policies, nor does it expect to adopt any new accounting policies during the remainder of fiscal 2021, including changes to be made voluntarily or those due to a change in an accounting standard or a new accounting standard that the Company does not have to adopt until a future date.

**Financial Instrument Fair Value and Risks Factors****Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash, accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value. Cash is measured based on Level 1 input of the fair value hierarchy.

**Risk factors**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is mainly held in credit worthy financial institutions and in trust with the Company's legal counsel. Credit risk has been assessed as low.

**Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in United States dollars while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's held cash of \$22,843,102 in Canadian dollars and \$12,565,254 in United States dollars. As the Company has transactions in foreign currencies, currency risk has been assessed as moderate.

Assuming all other variables remain constant, a 5% weakening or strengthening of the Canadian dollar against the US dollar would result in a change of approximately \$632,000 to loss and comprehensive loss.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank account was subject to the movements in interest rates. The Company has no-interest bearing debt. Therefore, interest rate risk has been assessed as nominal.

**Liquidity Risk**

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions, liquidity risk has been assessed as low.

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**Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of \$35,182,857 at March 31, 2021 (June 30, 2020 - \$181,321).

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

**Share Capital**

As at the date of this MD&A, the Company has 103,019,237 common shares issued and outstanding, 64,152,601 warrants, 2,950,000 stock options and 2,200,000 restricted share units.

**COVID-19**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

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## FORM 52-109FV2

## CERTIFICATION OF INTERIM FILINGS

## VENTURE ISSUER BASIC CERTIFICATE

I, Justin Cochrane, the President & Chief Executive Officer of Carbon Streaming Corp., certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “**interim filings**”) of Carbon Streaming Corp. (the “**issuer**”) for the interim period ended March 31, 2021.

2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: May 31, 2021

(Signed) “Justin Cochrane”

Justin Cochrane  
President & Chief Executive Officer

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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## FORM 52-109FV2

## CERTIFICATION OF INTERIM FILINGS

## VENTURE ISSUER BASIC CERTIFICATE

I, Conor Kearns, the Chief Financial Officer of Carbon Streaming Corp., certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “**interim filings**”) of Carbon Streaming Corp. (the “**issuer**”) for the interim period ended March 31, 2021.

2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: May 31, 2021

(Signed) “Conor Kearns”

Conor Kearns  
Chief Financial Officer

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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## NEWS RELEASE

### **CARBON STREAMING ANNOUNCES FIRST CARBON CREDIT STREAM INVESTMENT INTO A BLUE CARBON PROJECT**

TORONTO, ONTARIO, May 17, 2021 – Carbon Streaming Corporation (“CSC” or the “**Company**”) is pleased to announce its first carbon credit streaming investment. CSC has agreed to invest US\$6 million to implement the proposed MarVivo Blue Carbon Conservation Project in Magdalena Bay in Baja California Sur, Mexico which is focused on the conservation of mangrove forests and their associated marine habitat. The project is anticipated to be one of the largest blue carbon conservation projects in the world and once implemented will reduce estimated emissions by 26 million tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) over 30 years by conserving and sustainably managing approximately 22,000 hectares of mangroves and 137,000 hectares of its marine environment across Baja’s largest mangrove forest.

Magdalena Bay is home to Baja’s largest mangrove forest which creates an incredibly 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 species which are listed as endangered. The Mexican State of Sinaloa has undergone significant deforestation of mangroves due to intensive shrimp farming and the MarVivo project intends to prevent the same from occurring in Magdalena Bay. The project plans to limit deforestation, promote wildlife conservation and generate unique benefits for the local communities. The REDD+ framework developed by the United Nations Framework Convention on Climate Change (UNFCCC) will be used to define the project and it is anticipated to be certified through the Verified Carbon Standards (VCS) administered by Verra, an international institution based in Washington D.C. that manages carbon credit standards, so that “blue carbon” credits may be generated.

Blue carbon refers to carbon stored in coastal and marine ecosystems, 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 at a rate of up to ten times greater than mature tropical forests. They also tend to store carbon for a longer period of time as much of the carbon is stored below water in organic-rich sediment or peat, which is why investment in innovative blue carbon projects like the MarVivo Blue Carbon Conservation Project represent a critical step in solving the climate emergency.

#### **MarVivo Stream Investment Highlights:**

- US\$2.0 million initial investment into MarVivo Corporation, paid in cash on closing, followed by four separate US\$1.0 million investments at specific project milestones during development, implementation, validation and verification by Verra. These investments will be funded by the Company’s cash-on-hand. Closing is conditional on completion of customary conditions precedent.
  - Each year, CSC will have the right to purchase the greater of 200,000 credits or 20% of the annual verified carbon credits from the MarVivo Blue Carbon Project.
-

- CSC will make ongoing payments to MarVivo Corporation equal to 40% of CSC's net revenue from the sale of the carbon credits from the project.
- The MarVivo Stream agreement will run for a term of 30 years starting on date of the first delivery of carbon credits, which is expected to occur in H1 2023.

The total investment of US\$6.0 million into the MarVivo Blue Carbon Conservation Project is expected to fully fund initial project development and implementation costs, which include a significant investment by MarVivo Corporation into the local community to support local businesses, provide employment opportunities and develop a local eco-tourism management plan with the local communities. In addition, the project developers, Mexico's National Commission for Protected Natural Areas (CONANP), government partners and local communities have committed to seek World Heritage Status for the area due to its unique nature.

Once the MarVivo Blue Carbon Conservation Project is fully validated and verified, it is expected to provide approximately US\$2 million in direct annual benefits to the local communities. These funds will provide much needed support to address poverty, one of the main drivers of deforestation, and create new economic opportunities like eco-tourism and sustainable sea scallop farming. The project will further support conservation efforts in Magdalena Bay, a global diversity hotspot known for its pristine habitat and significant bio-diversity.

Justin Cochrane, President & CEO of the Company stated, "We couldn't be more excited to announce our first carbon credit streaming investment into a blue carbon project that we anticipate will protect one of North America's largest mangrove forests and its associated marine environment while also supporting the local communities of San Carlos and Lopez Mateos. This carbon credit stream investment perfectly aligns with our investment philosophy of being a true impact investment while also having the potential to generate significant returns for our shareholders." Mr. Cochrane continued, "The MarVivo Blue Carbon Conservation Project is being developed by a highly-experienced team, led by Todd Lemons and Jim Procanik who also developed the world-class Rimba Raya carbon and biodiversity project in Borneo, Indonesia which is one of the largest and oldest REDD+ carbon projects in the world."

More information on the MarVivo Blue Carbon Conservation Project can be found on the project's website at <https://marvivo.earth>

CSC was advised by Carbon Advisors LLC and Stikeman Elliott LLP acted as legal counsel to CSC. Blake, Cassels & Graydon LLP acted as legal counsel to MarVivo Corporation.

#### **About the MarVivo Blue Carbon Conservation Project**

The MarVivo Blue Carbon Conservation 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 non-profit groups Fins Attached, NAKAWE Project and Migamar, as well as the local communities of San Carlos (population ~5,000) and Lopez Mateos (population ~3,000), are also involved in the project. It is anticipated that the project will be certified through the Verified Carbon Standard (VCS), the Climate, Community & Biodiversity Standard (CCB) and the Sustainable Development Verified Impact Standard (SD VISTA), all of which are administered by Verra.

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## About Carbon Streaming Corporation

Carbon Streaming Corporation is a unique ESG principled investment vehicle that will offer investors exposure to carbon credits, a key instrument being used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. The Company intends to invest capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

### ON BEHALF OF THE COMPANY:

*“Justin Cochrane”*

Justin Cochrane, President and CEO

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

### Cautionary Statement Regarding Forward-Looking Information

This news release contains certain information which constitutes ‘forward-looking statements’ and ‘forward-looking information’ within the meaning of applicable Canadian securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward- looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to: statements regarding closing of the carbon credit stream transaction, statements and figures with respect to the development, implementation, validation and verification of carbon projects; statements and figures with respect to the generation of local community benefits; statements with respect to the conservation and protection of mangroves, forestry and marine environments; statements with respect to the annual creation of carbon credits; and, statements with respect to the business and assets of the Company and its strategy going forward. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, most of which are beyond the Company’s control. Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements.

The forward-looking statements contained herein are made as of the date of this release and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.

No securities regulatory authority has either approved or disapproved of the contents of this news release.

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Form 45-106F1 Report of Exempt Distribution

BCSC EDER Reference Number 9491229

ITEM 1 - REPORT TYPE	
<input checked="" type="checkbox"/> New report	
<input type="checkbox"/> Amended report	If amended, provide filing date of report that is being amended <input type="text"/> <input type="text"/> <input type="text"/> (YYYY-MM-DD)

ITEM 2 - PARTY CERTIFYING THE REPORT	
<i>Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 Investment Fund Continuous Disclosure and the companion policy to NI 81-106.</i>	
<input type="checkbox"/> Investment fund issuer	
<input checked="" type="checkbox"/> Issuer (other than an investment fund)	
<input type="checkbox"/> Underwriter	

ITEM 3 - ISSUER NAME AND OTHER IDENTIFIERS	
<i>Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.</i>	
Full legal name	Carbon Streaming Corporation
Previous full legal name	Mexivada Mining Corp.
<i>If the issuer's name changed in the last 12 months, provide most recent previous legal name.</i>	
Website	www.carbonstreaming.com (if applicable)
<i>If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".</i>	
Legal entity identifier	
<i>If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.</i>	
Full legal name(s) of co-issuer(s)	(if applicable)

ITEM 4 - UNDERWRITER INFORMATION	
<i>If an underwriter is completing the report, provide the underwriter's full legal name and firm NRD number.</i>	
Full legal name	
Firm NRD number	(if applicable)
<i>If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.</i>	
Street address	
Municipality	Province/State
Country	Postal code/Zip code
Telephone number	Website (if applicable)

**ITEM 5 - ISSUER INFORMATION**

*If the issuer is an investment fund, do not complete Item 5. Proceed to Item 6.*

**a) Primary industry**

Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that in your reasonable judgment most closely corresponds to the issuer's primary business activity.

NAICS industry code

If the issuer is in the mining industry, indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.

☐ Exploration ☐ Development ☐ Production

Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply:

☐ Mortgages ☐ Real estate ☐ Commercial/business debt ☐ Consumer debt ☐ Private companies  
☐ Cryptoassets

**b) Number of employees**

Number of employees: ☒ 0 - 49 ☐ 50 - 99 ☐ 100 - 499 ☐ 500 or more

**c) SEDAR profile number**

Does the issuer have a SEDAR profile?

☐ No ☒ Yes If yes, provide SEDAR profile number

*If the issuer does not have SEDAR profile complete item 5(d) - (h).*

**d) Head office address**

Street address	<input type="text"/>	Province/State	<input type="text"/>
Municipality	<input type="text"/>	Postal code/Zip code	<input type="text"/>
Country	<input type="text"/>	Telephone number	<input type="text"/>

**e) Date of formation and financial year-end**

Date of formation   Financial year-end    
YYYY MM DD MM DD

**f) Reporting issuer status**

Is the issuer a reporting issuer in any jurisdiction of Canada? ☐ No ☐ Yes

If yes, select the jurisdictions of Canada in which the issuer is a reporting issuer.

☐ All ☐ AB ☐ BC ☐ MB ☐ NB ☐ NL ☐ NT  
☐ NS ☐ NU ☐ ON ☐ PE ☐ QC ☐ SK ☐ YT

**g) Public listing status**

If the issuer has a CUSIP number, provide below (first 6 digits only)

CUSIP number

If the issuer is publicly listed, provide the name of the exchange on which the issuer's equity securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.

Exchange name

**h) Size of issuer's assets**

Select the size of the issuer's assets based on its most recently available annual financial statements (Canadian \$). If the issuer has not prepared annual financial statements for its first financial year, provide the size of the issuer's assets at the distribution end date.

☐ \$0 to under \$5M

☐ \$5M to under \$25M

☐ \$25M to under \$100M

☐ \$100M to under \$500M

☐ \$500M to under \$1B

☐ \$1B or over

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**ITEM 6 - INVESTMENT FUND ISSUER INFORMATION**

*If the issuer is an investment fund, provide the following information.*

**a) Investment fund manager information**

Full legal name

Firm NRD number

(if applicable)

*If the investment fund manager does not have a firm NRD number, provide the head office contact information of the investment fund manager.*

Street address

Municipality

Province/State

Country

Postal code/Zip code

Telephone number

Website (if applicable)

**b) Type of investment fund**

*Type of investment fund that most accurately identifies the issuer (select only one).*

☐ Money market☐ Equity☐ Fixed income☐ Balanced☐ Alternative strategies☐ Cryptoasset☐ Other (describe)

*Indicate whether one or both of the following apply to the investment fund.*

☐ Invests primarily in other investment fund issuers☐ Is a UCITS Fund

*Undertaking for the Collective Investment of Transferable Securities funds (UCITS Funds) are investment funds regulated by the European Union (EU) directives that allow collective investment schemes to operate throughout the EU on a passport basis on authorization from one member state.*

**c) Date of formation and financial year-end of the investment fund**

Date of formation

YYYY

MM

DD

Financial year-end

MM

DD

**d) Reporting issuer status of the investment fund**

*Is the investment fund a reporting issuer in any jurisdiction of Canada?* ☐ No ☐ Yes

*If yes, select the jurisdictions of Canada in which the investment fund is a reporting issuer.*

☐ All☐ AB☐ BC☐ MB☐ NB☐ NL☐ NT☐ NS☐ NU☐ ON☐ PE☐ QC☐ SK☐ YT**e) Public listing status of the investment fund**

*If the investment fund has a CUSIP number, provide below (first 6 digits only)*

CUSIP number

*If the investment fund is publicly listed, provide the name of the exchange on which the investment fund's securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.*

Exchange name

**f) Net asset value (NAV) of the investment fund**

*Select the NAV range of the investment fund as of the date of the most recent NAV calculation (Canadian \$).*

☐ \$0 to under \$5M☐ \$5M to under \$25M☐ \$25M to under \$100M☐ \$100M to under \$500M☐ \$500M to under \$1B☐ \$1B or over

Date of NAV calculation:

YYYY

MM

DD

**ITEM 7 - INFORMATION ABOUT THE DISTRIBUTION**

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include in Item 7 and Schedule 1 information about purchasers resident in that jurisdiction of Canada only. Do not include in Item 7 securities issued as payment of commissions or finder's fees in connection with the distribution, which must be disclosed in Item 8. The information provided in Item 7 must reconcile with the information provided in Schedule 1 of the report.

**a) Currency**

Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.

☒ Canadian dollar ☐ US dollar ☐ Euro ☐ Other (describe)

**b) Distribution date(s)**

State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.

Start date 

2021	05	11
YYYY	MM	DD

 End date 

2021	05	11
YYYY	MM	DD

**c) Detailed purchaser information**

Complete Schedule 1 of this form for each purchaser and attach the schedule to the completed report.

**d) Types of securities distributed**

Provide the following information for all distributions reported on a per security basis. Refer to Part A(12) of the Instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.

Security code	CUSIP number (if applicable)	Description of security	Number of securities	Canadian \$		
				Single or lowest price	Highest price	Total amount
C M S	14116K		11,611,000.00	1.0000		11,611,000.00

**e) Details of rights and convertible/exchangeable securities**

If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeable securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.

Convertible / exchangeable security code	Underlying security code	Exercise price (Canadian \$)		Expiry date (YYYY-MM-DD)	Conversion ratio	Describe other items (if applicable)
		Lowest	Highest			

**f) Summary of the distribution by jurisdiction and exemption**

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only.

This table requires a separate line item for (i) each jurisdiction where a purchaser resides, (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Exemption relied on	Number of unique <sup>9</sup> purchasers	Total amount (Canadian \$)
British Columbia	NI 45-106 2.3 [Accredited investor]	2	100,000.00
Saskatchewan	NI 45-106 2.3 [Accredited investor]	2	70,000.00
Québec	NI 45-106 2.3 [Accredited investor]	1	750,000.00
Ontario	NI 45-106 2.3 [Accredited investor]	3	164,000.00
United States	NI 45-106 2.3 [Accredited investor]	2	3,500,000.00
Argentina	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	250,000.00
Bahamas	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	450,000.00



Chile	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	100,000.00
Hong Kong	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	252,000.00
Panama	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	50,000.00
Portugal	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	50,000.00
Switzerland	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	3	1,225,000.00
United Kingdom	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	3	4,650,000.00
Total dollar amount of securities distributed			11,611,000.00
Total number of unique purchasers <sup>24</sup>		22	

<sup>24</sup> In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.

<sup>25</sup> In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

**g) Net proceeds to the investment fund by jurisdiction**

If the issuer is an investment fund, provide the net proceeds to the investment fund for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides.<sup>26</sup> If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include net proceeds for that jurisdiction of Canada only. For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Net proceeds (Canadian \$)
Total net proceeds to the investment fund	

<sup>26</sup> "Net proceeds" means the gross proceeds realized in the jurisdiction from the distributions for which the report is being filed, less the gross redemptions that occurred during the distribution period covered by the report.

**h) Offering materials - This section applies only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia**

If a distribution has occurred in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, complete the table below by listing the offering materials that are required under the prospectus exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in those jurisdictions.

In Ontario, if the offering materials listed in the table are required to be filed with or delivered to the Ontario Securities Commission (OSC), attach an electronic version of the offering materials that have not been previously filed with or delivered to the OSC.

Description	Date of document or other material (YYYY-MM-DD)	Previously filed with or delivered to regulator? (Y/N)	Date previously filed or delivered (YYYY-MM-DD)

**ITEM 8 - COMPENSATION INFORMATION**

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. Complete additional copies of this page if more than one person was, or will be, compensated.

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

☒ No ☐ Yes

If yes, indicate number of persons compensated.

**a) Name of person compensated and registration status**

Indicate whether the person compensated is a registrant.

☐ No

☐ Yes

If the person compensated is an individual, provide the name of the individual:

Full legal name of individual

Family name

First given name

Secondary given names

If the person compensated is not an individual, provide the following information:

Full legal name of non-individual

Firm NRD number

(if applicable)

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.

☐ No

☐ Yes

**b) Business contact information**

If a firm NRD number is not provided in Item 8 (a), provide the business contact information of the person being compensated.

Street address

Municipality

Province/State

Country

Postal code/Zip code

Email address

Telephone number

**c) Relationship to issuer or investment fund manager**

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part 8(2) of the instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

☐ Connect with the issuer or investment fund manager

☐ Insider of the issuer (other than an investment fund)

☐ Director or officer of the investment fund or investment fund manager

☐ Employee of the issuer or investment fund manager

☐ None of the above

**d) Compensation details**

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

Cash commissions paid

Value of all securities distributed as compensation\*

Security codes

Security code 1	Security code 2	Security code 3
<input type="text"/>	<input type="text"/>	<input type="text"/>

Describe terms of warrants, options or other rights

Other compensation†

Describe

Total compensation paid

☐ Check box if the person will or may receive any deferred compensation (describe the terms below)

\*Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

†Do not include deferred compensation.

ITEM 9 - DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER

If the issuer is an investment fund, do not complete Item 9. Proceed to Item 10.

Indicate whether the issuer is any of the following (select the one that applies - if more than one applies, select only one).

- ☒ Reporting issuer in any jurisdiction of Canada
- ☐ Foreign public issuer
- ☐ Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada<sup>a</sup>

Provide name of reporting issuer

- ☐ Wholly owned subsidiary of a foreign public issuer<sup>a</sup>

Provide name of foreign public issuer

- ☐ Issuer distributing only eligible foreign securities and the distribution is to permitted clients only<sup>b</sup>

If the issuer is at least one of the above, do not complete Item 9(a) - (c). Proceed to Item 10.

<sup>a</sup>An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

<sup>b</sup>Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part B(1) of the Instructions.

- ☐ If the issuer is none of the above, check this box and complete Item 9(a) - (c).

a) Directors, executive officers and promoters of the issuer

Provide the following information for each director, executive officer and promoter of the issuer. For locations within Canada, state the province or territory; otherwise state the country. For "Relationship to issuer", "D" - Director, "O" - Executive Officer, "P" - Promoter.

Organization or company name	Family name	First given name	Secondary given names	Business location of non-individual (if residential jurisdiction of individual)	Relationship to issuer (select all that apply)		
				Province or country	D	O	P

b) Promoter information

If the promoter listed above is not an individual, provide the following information for each director and executive officer of the promoter. For locations within Canada, state the province or territory; otherwise state the country. For "Relationship to promoter", "D" - Director, "O" - Executive Officer.

Organization or company name	Family name	First given name	Secondary given names	Residential jurisdiction of individual	Relationship to promoter (select one or both if applicable)	
				Province or country	D	O

c) Residential address of each individual

Complete Schedule 2 of this form providing the full residential address for each individual listed in Item 9(a) and (b) and attach to the completed report. Schedule 2 also requires information to be provided about control persons.



## ITEM 10 - CERTIFICATION

Provide the following certification and business contact information of an officer, director or agent of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may be delegated, but only to an agent that has been authorized by an officer or director of the issuer or underwriter to prepare and certify the report on behalf of the issuer or underwriter. If the report is being certified by an agent on behalf of the issuer or underwriter, provide the applicable information for the agent in the boxes below.

If the individual completing and filing the report is different from the individual certifying the report, provide the name and contact details for the individual completing and filing the report in Item 11.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

Securities legislation requires an issuer or underwriter that makes a distribution of securities under certain prospectus exemptions to file a completed report of exempt distribution.

By completing the information below, I certify, on behalf of the issuer/underwriter/investment fund manager, to the securities regulatory authority or regulator, as applicable, that I have reviewed this report and to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.

Name of issuer/underwriter/ investment fund manager/agent	Carbon Streaming Corporation		
Full legal name	Keams	Conor	
	Family name	First given name	Secondary given names
Title	CFO		
Telephone number	2899836699	Email address	conor@carbonstreaming.com
Signature	"Conor Keams"		Date
			2021 05 20
			YYYY MM DD

## ITEM 11- CONTACT PERSON

Provide the following business contact information for the individual that the securities regulatory authority or regulator may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 10.

☐ Same as individual certifying the report

Full legal name	Walmesley	Erin		Title	Securities Paralegal
	Family name	First given name	Secondary given names		
Name of company	Owen Bird Law Corporation				
Telephone number	6046975607	Email address	ewalmesley@owenbird.com		

#### Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the local jurisdiction(s) where the report is filed, at the address(es) listed at the end of this form.

The attached Schedules 1 and 2 may contain personal information of individuals and details of the distribution(s). The information in Schedules 1 and 2 will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

By signing this report, the issuer/underwriter confirms that each individual listed in Schedule 1 or 2 of the report who is resident in a jurisdiction of Canada:

- a) has been notified by the issuer/underwriter of the delivery to the securities regulatory authority or regulator of the information pertaining to the individual as set out in Schedules 1 or 2, that this information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and of the title, business address and business telephone number of the public official in the local jurisdiction, as set out in this form, who can answer questions about the securities regulatory authority's or regulator's indirect collection of the information, and
- b) has authorized the indirect collection of the information by the securities regulatory authority or regulator.



#### EARLY WARNING RELEASE

(Montréal, May 14, 2021) Osisko Gold Royalties Ltd (TSX & NYSE:OR) (“**Osisko**”) announces that it has subscribed for and received from Carbon Streaming Corporation (“**Carbon Streaming**”) 750,000 common shares (each a “**Share**”) of Carbon Streaming for a price of \$1.00 per Share by way of a non-brokered private placement, for an aggregate subscription price of \$750,000 (the “**Private Placement**”).

Immediately after giving effect to the Private Placement, Osisko had beneficial ownership of, or control and direction over securities of Carbon Streaming representing approximately 13.3% of the issued and outstanding Shares on a partially diluted basis. Osisko has filed an early warning report in connection with the Private Placement on SEDAR under Carbon Streaming’s profile.

Osisko acquired the securities described in this press release for investment purposes and in accordance with applicable securities laws, Osisko may, from time to time and at any time, acquire additional Shares and/or other equity, debt or other securities or instruments (collectively, “**Securities**”) of Carbon Streaming and reserves the right to dispose of any or all of its Securities at any time and from time to time, and to engage in similar transactions with respect to the Securities, the whole depending on market conditions, the business and prospects of Carbon Streaming and other relevant factors.

This news release is issued under the early warning provisions of the Canadian securities legislation.

#### About Osisko Gold Royalties Ltd

Osisko is an intermediate precious metal royalty company focused on the Americas that commenced activities in June 2014. Osisko holds a North American focused portfolio of over 150 royalties, streams and precious metal offtakes. Osisko’s portfolio is anchored by its cornerstone asset, a 5% net smelter return royalty on the Canadian Malartic mine, which is the largest gold mine in Canada.

Osisko’s head office is located at 1100 Avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, H3B 2S2.

#### For further information, please contact Osisko Gold Royalties Ltd:

Heather Taylor  
Vice President, Investor Relations  
Tel: (514) 940-0670 #105  
Email: [htaylor@osiskogr.com](mailto:htaylor@osiskogr.com)

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**FORM 62-103F1  
EARLY WARNING REPORT**

**Item 1 – Security and Reporting Issuer****1.1     *State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.***

This report relates to common shares (“**Shares**”) and common share purchase warrants (“**Warrants**”) of Carbon Streaming Corporation (the “**Issuer**”).

The address of the head office of the Issuer is the following:

4 King Street West  
Suite 401  
Toronto, Ontario, Canada  
M5H 1B6

**1.2     *State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.***

The transaction that triggered the requirement to file this report was an acquisition of Shares (as defined herein) of the Issuer by way of a non-brokered private placement of the Issuer.

**Item 2 – Identify of the Acquiror****2.1     *State the name and address of the acquiror.***

Osisko Gold Royalties Ltd (the “**Acquiror**”)  
1100 avenue des Canadiens-de-Montréal  
Suite 300  
Montréal, Québec  
H3B 2S2

**2.2     *State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.***

On January 11, 2021, the Acquiror acquired beneficial ownership of or control and direction over 2,000,000 units of the Issuer at a price of \$0.25 per unit, each unit consisting of one Share and one Warrant, for an aggregate subscription price of \$500,000 (the “**January Private Placement**”).

On February 18, 2021, the Acquiror acquired beneficial ownership of or control and direction over an additional 4,000,000 units of the Issuer at a price of \$0.75 per unit, each unit consisting of one Share and one Warrant, for an aggregate subscription price of \$3,000,000 (the “**February Private Placement**”).

On May 12, 2021, the Acquiror acquired beneficial ownership of, or control and direction over an additional 750,000 Shares of the Issuer at a price of \$1.00 per Share, by way of a non-brokered private placement, for an aggregate subscription price of \$750,000 (the “**May Private Placement**”) and together with the January Private Placement and February Private Placement, the “**Private Placements**”).

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**2.3      *State the names of any joint actors.***

Not applicable.

**Item 3 – Interest in Securities of the Reporting Issuer**

**3.1      *State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.***

**January Private Placement**

Immediately prior to the closing of the January Private Placement, the Acquiror had beneficial ownership of, or control and direction over no securities of the Issuer.

Immediately after giving effect to the January Private Placement, the Acquiror had beneficial ownership of, or control and direction over: (i) 2,000,000 Shares; and (ii) 2,000,000 Warrants, representing approximately 11.0% of the then issued and outstanding Shares on a partially diluted basis assuming full exercise of the Acquiror's Warrants.

**February Private Placement**

Immediately prior to the closing of the February Private Placement, the Acquiror had beneficial ownership of, or control and direction over: (i) 2,000,000 Shares; and (ii) 2,000,000 Warrants, representing approximately 11.0% of the then issued and outstanding Shares on a partially diluted basis assuming full exercise of the Acquiror's Warrants.

Immediately after giving effect to the February Private Placement, the Acquiror had beneficial ownership of, or control and direction over: (i) 6,000,000 Shares; and (ii) 6,000,000 Warrants, representing approximately 14.3% of the then issued and outstanding Shares on a partially diluted basis assuming full exercise of the Acquiror's Warrants.

**May Private Placement**

Immediately prior to the closing of the May Private Placement, the Acquiror had beneficial ownership of, or control and direction over: (i) 6,000,000 Shares; and (ii) 6,000,000 Warrants, representing approximately 14.3% of the then issued and outstanding Shares on a partially diluted basis, assuming full exercise of the Acquiror's Warrants.

Immediately after giving effect to the May Private Placement, the Acquiror had beneficial ownership of, or control and direction over: (i) 6,750,000 Shares; and (ii) 6,000,000 Warrants, representing approximately 13.3% of the issued and outstanding Shares on a partially diluted basis assuming exercise of the Acquiror's Warrants.

The Acquiror does not own any other securities of the Issuer.

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- 3.2** *State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.*

The Acquiror acquired 6,750,000 Shares and 6,000,000 pursuant to the Private Placements.

See Item 2.2 above.

- 3.3** *If the transaction involved a securities lending arrangement, state that fact.*

Not applicable.

- 3.4** *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.*

See Item 3.1 above.

- 3.5** *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which*

- (a) *the acquiror, either alone or together with any joint actors, has ownership and control;*

See Item 3.1 above.

- (b) *the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and*

Not applicable.

- (c) *the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.*

Not applicable.

- 3.6** *If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

Not applicable.

- 3.7** *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

Not applicable.

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- 3.8** *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1** *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

In respect of the January Private Placement, the Acquiror acquired 2,000,000 units of the Issuer at a price of \$0.25 per unit, each unit consisting of one Share and one Warrant, for an aggregate subscription price of \$500,000.

In respect of the February Private Placement, the Acquiror acquired 4,000,000 units of the Issuer at a price of \$0.75 per unit, each unit consisting of one Share and one Warrant, for an aggregate subscription price of \$3,000,000.

In respect of the May Private Placement, the Acquiror acquired 750,000 Shares at a price of \$1.00 per Share for an aggregate subscription price of \$750,000.

- 4.2** *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

In respect of the January Private Placement, the Acquiror agreed to pay a cash subscription price of \$0.25 per unit, for an aggregate subscription price of \$500,000.

In respect of the February Private Placement, the Acquiror agreed to pay a cash subscription price of \$0.75 per unit, for an aggregate subscription price of \$3,000,000.

In respect of the May Private Placement, the Acquiror agreed to pay a cash subscription price of \$1.00 per Share, for an aggregate subscription price of \$750,000.

- 4.3** *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

Not applicable.

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## Item 5 – Purpose of the Transaction

*State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:*

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;*
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;*
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;*
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;*
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;*
- (f) a material change in the reporting issuer's business or corporate structure;*
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;*
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;*
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;*
- (j) a solicitation of proxies from securityholders;*
- (k) an action similar to any of those enumerated above.*

The Acquiror acquired the securities described herein for investment purposes and in accordance with applicable securities laws, the Acquiror may, from time to time and at any time, acquire additional Shares and/or other equity, debt or other securities or instruments (collectively, “**Securities**”) of the Issuer, and reserves the right to dispose of any or all of its Securities at any time and from time to time, and to engage in similar transactions with respect to the Securities, the whole depending on market conditions, the business and prospects of the Issuer and other relevant factors.

Except as otherwise disclosed herein, the Acquiror currently has no plans or proposal which would relate to or would result in any of the matters described in Items 5(a)-(k) of Form 62-103F1; however, as part of its ongoing evaluation of this investment and investment alternatives, the Acquiror may consider such matters and, subject to applicable law, may formulate a plan with respect to such matters and, from time to time, may hold discussions with or make formal proposals to management or the board of directors of the Issuer, other shareholders of the Issuer or other third parties regarding such matters.

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## Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

*Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.*

Concurrently with the completion of the February Private Placement, the Issuer and the Acquiror have executed an investment agreement (the “**Investment Agreement**”) which provides, amongst other things, for the following:

**Participation Rights:** Unless: (i) in the initial 3 years following the date of the Investment Agreement, the Acquiror holds less than an aggregate of 10,800,000 Shares and Warrants of the Issuer; or (ii) at any time after the initial 3 years, the Acquiror, together with its affiliates, holds less than 7.5% of the outstanding Shares on a partially diluted basis: the Acquiror shall have the right to participate in: (i) certain future issuances of offered securities; and (ii) certain future streaming or similar transactions, of the Issuer.

**Nomination Right:** Unless: (i) in the initial 3 years following the date of the Investment Agreement, the Acquiror holds less than an aggregate of 10,800,000 Shares and Warrants of the Issuer; or (ii) at any time after the initial 3 years, the Acquiror, together with its affiliates, holds less than 7.5% of the outstanding Shares on a partially diluted basis, the Acquiror will be entitled to nominate for election, on an annual basis, one (1) nominee for election or appointment to the board of directors of the Issuer.

## Item 7 – Change in Material Fact

*If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.*

Not applicable.

## Item 8 – Exemption

*If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.*

Not applicable.

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**Item 9 – Certification Certificate**

I, as the Acquiror, certify, to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

**DATED** this 14<sup>th</sup> day of May 2021.

**OSISKO GOLD ROYALTIES LTD**

*(s) André Le Bel*

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André Le Bel

Vice President, Legal Affairs and Corporate Secretary

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**NEWS RELEASE****Corporate Update**

May 12, 2021

Carbon Streaming Corporation (the "Company") is pleased to announce it has closed a private placement of 11,611,000 shares at a price of C\$1.00 per share, to raise gross proceeds of C\$11,611,000.

Justin Cochrane, President & CEO of the Company stated, "The funds from this placement, in conjunction with funds raised over the last six months, including the recent private placement of approximately C\$32 million in March 2021, give the Company significant cash resources to negotiate and invest in a number of projects that generate carbon credits. Carbon Streaming intends to direct its capital to maximize its sustainable impact and is excited to be at the forefront of the transition to a low-carbon future."

**About Carbon Streaming Corporation**

Carbon Streaming Corporation is a unique ESG principled investment vehicle that will offer investors exposure to carbon credits, a key instrument being used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. The Company intends to invest capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects will have significant social and economic benefits in addition to their carbon reduction or removal potential.

**ON BEHALF OF THE BOARD:**

*"Justin Cochrane"*

Justin Cochrane, Director, President and CEO

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

**Cautionary Statement Regarding Forward-Looking Information**

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation pertaining to anticipated fund raising and use of proceeds. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. There is no assurance that the Company will be successful in using its existing funds in the manner contemplated by the Company. Undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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April 23, 2021

Filed via SEDAR



To All Applicable Exchanges and Securities Administrators

**Subject: Carbon Streaming Corp. (the “Issuer”)  
Notice of Meeting and Record Date**

Dear Sir/Madam:

We are pleased to confirm the following information with respect to the Issuer’s upcoming meeting of securityholders:

Meeting Type:	Annual General Meeting
Meeting Date:	June 29, 2021
Record Date for Notice of Meeting:	May 19, 2021
Record Date for Voting (if applicable):	May 19, 2021
Beneficial Ownership Determination Date:	May 19, 2021
Class of Securities Entitled to Vote:	Common Shares
ISIN:	CA14116K1075
Location:	Conference Call
Issuer sending proxy materials directly to NOBOs:	No
Issuer paying for delivery to OBOs:	Yes
Notice and Access for Beneficial Holders:	No
Notice and Access for Registered Holders:	No
Stratification Level	Not applicable

In accordance with applicable securities regulations we are filing this information with you in our capacity as agent of the Issuer.

Yours truly,

**ODYSSEY TRUST COMPANY  
AS AGENT FOR Carbon Streaming Corp.**

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**NEWS RELEASE****BOARD APPOINTMENTS AND CORPORATE UPDATE**

TORONTO, ONTARIO, April 11, 2021 – Carbon Streaming Corporation (the “Company”) announces the resignation of Justin Cochrane from the board of directors to facilitate and make room on the board for the appointment of three new directors with extensive experience in stream financing, investments, renewable energy and corporate finance. Mr. Cochrane will continue to serve as the Company’s President and Chief Executive Officer and intends to rejoin the board at the next annual general meeting of the Company.

“I would like to welcome Mr. Saurabh Handa, Dr. Marc Bustin and Ms. Jeanne Usonis to the board and I’m looking forward to working with each as we endeavor to significantly grow this Company in the months and years ahead,” stated Mr. Cochrane.

**Saurabh Handa**

Mr. Handa is currently the Chief Financial Officer for Metalla Royalty & Streaming Ltd., a TSX- 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.

**Marc Bustin**

Dr. Bustin is Professor of Geology at the University of British Columbia, President of RMB Earth Science Consultants, and Chief Technical Officer for Renewable Geo Resources Ltd. Dr. Bustin has over 40 years’ experience as a researcher, consultant and officer in companies engaged in the fields of carbon capture and storage, mineral and fossil fuel exploitation, and renewable and alternate energy resource development. Dr. Bustin has served as a director, officer and technical advisor for a variety of large and small companies in Europe, Africa, North America, South America, Australia, New Zealand and Asia. 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. Levenson 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.

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## **Jeanne Usonis**

Ms. Usonis has over 20 years of corporate finance and capital markets experience. She is a Director at Regent Advisors LLC, which provides advisory services for equity and debt financings, mergers and acquisitions and joint ventures. She has advised on several initial public offerings and reverse takeover transactions on Canadian and London stock exchanges. Previously, she worked at N M Rothschild & Sons (Washington) LLC where she assisted in the structuring and financing of natural resource projects in emerging market countries. Prior thereto, she worked at Salomon Smith Barney, responsible for structuring taxable and tax-exempt financings. Ms. Usonis graduated summa cum laude with a B.S. in Finance from Villanova University.

In conjunction with these appointments and the significant developments at the Company over the last 12 months, the board of directors have approved the issuance of up to 5.25 million incentive stock options and restricted share units (RSUs) to certain of its directors, officers, advisers and consultants. The incentive stock options granted are exercisable at 75 cents per share for a period of five years expiring March 31, 2026. These inaugural grants represent approximately 6.7 per cent of the Company's issued and outstanding share capital.

## **About Carbon Streaming Corporation**

Carbon Streaming Corporation is a unique ESG principled investment vehicle that will offer investors exposure to carbon credits, a key instrument being used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. The Company intends to invest capital through carbon credit streaming arrangements with project developers and corporations to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. These projects will have significant social and economic benefits in addition to their carbon sequestration or carbon offsetting potential.

## **ON BEHALF OF THE COMPANY:**

*“Justin Cochrane”*

Justin Cochrane, President and CEO

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

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**NEWS RELEASE****Corporate Update**

March 24, 2021

Carbon Streaming Corporation (the “Company”) is pleased to announce it has closed a private placement of 43,299,268 units at \$0.75 per unit, to raise gross proceeds of \$32,474,451. Each unit is comprised of one common share in the capital of the Company (a “Share”) and one Share purchase warrant exercisable to acquire an additional Share at \$1.50 for five years from the date of issue.

Justin Cochrane, President & CEO of the Company stated, “The funds from this placement, in conjunction with \$242,500 raised in December 2020 and \$3,667,500 raised in January 2021, give the Company sufficient cash resources to negotiate and execute agreements to invest in a number of projects that generate carbon credits. The world is transitioning to a low carbon future and Carbon Streaming is excited to be at the forefront of providing capital to projects around the globe that help us move towards the critical goal of carbon-neutrality before 2050.”

**About Carbon Streaming Corporation**

Carbon Streaming Corporation is a unique ESG principled investment vehicle that will offer investors exposure to carbon credits, a key instrument being used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. The Company intends to invest capital through carbon credit streaming arrangements with project developers and corporations to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. These projects will have significant social and economic benefits in addition to their carbon sequestration or carbon offsetting potential.

**ON BEHALF OF THE BOARD:**

*“Justin Cochrane”*

Justin Cochrane, Director, President and CEO

[info@carbonstreaming.com](mailto:info@carbonstreaming.com)

[www.carbonstreaming.com](http://www.carbonstreaming.com)

**Cautionary Statement Regarding Forward-Looking Information**

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation pertaining to anticipated fund raising and use of proceeds. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. There is no assurance that the Company will be successful in using its existing funds in the manner contemplated by the Company. Undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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Form 45-106F1 Report of Exempt Distribution

BCSC EDER Reference Number 9411684

ITEM 1 - REPORT TYPE	
<input checked="" type="checkbox"/> New report	
<input type="checkbox"/> Amended report	If amended, provide filing date of report that is being amended <input type="text"/> <input type="text"/> <input type="text"/> (YYYY-MM-DD)

ITEM 2 - PARTY CERTIFYING THE REPORT	
<i>Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 Investment Fund Continuous Disclosure and the companion policy to NI 81-106.</i>	
<input type="checkbox"/> Investment fund issuer	
<input checked="" type="checkbox"/> Issuer (other than an investment fund)	
<input type="checkbox"/> Underwriter	

ITEM 3 - ISSUER NAME AND OTHER IDENTIFIERS	
<i>Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.</i>	
Full legal name	Carbon Streaming Corporation
Previous full legal name	Mexivada Mining Corp.
<i>If the issuer's name changed in the last 12 months, provide most recent previous legal name.</i>	
Website	www.carbonstreaming.com (if applicable)
<i>If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".</i>	
Legal entity identifier	
<i>If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.</i>	
Full legal name(s) of co-issuer(s)	(if applicable)

ITEM 4 - UNDERWRITER INFORMATION	
<i>If an underwriter is completing the report, provide the underwriter's full legal name and firm NRD number.</i>	
Full legal name	
Firm NRD number	(if applicable)
<i>If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.</i>	
Street address	
Municipality	Province/State
Country	Postal code/Zip code
Telephone number	Website (if applicable)



**ITEM 5 - ISSUER INFORMATION**

*If the issuer is an investment fund, do not complete Item 5. Proceed to Item 6.*

**a) Primary industry**

Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that in your reasonable judgment most closely corresponds to the issuer's primary business activity.

NAICS industry code

If the issuer is in the mining industry, indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.

☐ Exploration ☐ Development ☐ Production

Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply:

☐ Mortgages ☐ Real estate ☐ Commercial/business debt ☐ Consumer debt ☐ Private companies  
☐ Cryptoassets

**b) Number of employees**

Number of employees: ☒ 0 - 49 ☐ 50 - 99 ☐ 100 - 499 ☐ 500 or more

**c) SEDAR profile number**

Does the issuer have a SEDAR profile?

☐ No ☒ Yes If yes, provide SEDAR profile number

*If the issuer does not have SEDAR profile complete item 5(d) - (h).*

**d) Head office address**

Street address	<input type="text"/>	Province/State	<input type="text"/>
Municipality	<input type="text"/>	Postal code/Zip code	<input type="text"/>
Country	<input type="text"/>	Telephone number	<input type="text"/>

**e) Date of formation and financial year-end**

Date of formation  Financial year-end   
YYYY MM DD MM DD

**f) Reporting issuer status**

Is the issuer a reporting issuer in any jurisdiction of Canada? ☐ No ☐ Yes

If yes, select the jurisdictions of Canada in which the issuer is a reporting issuer.

☐ All ☐ AB ☐ BC ☐ MB ☐ NB ☐ NL ☐ NT  
☐ NS ☐ NU ☐ ON ☐ PE ☐ QC ☐ SK ☐ YT

**g) Public listing status**

If the issuer has a CUSIP number, provide below (first 6 digits only)

CUSIP number

If the issuer is publicly listed, provide the name of the exchange on which the issuer's equity securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.

Exchange name

**h) Size of issuer's assets**

Select the size of the issuer's assets based on its most recently available annual financial statements (Canadian \$). If the issuer has not prepared annual financial statements for its first financial year, provide the size of the issuer's assets at the distribution end date.

☐ \$0 to under \$5M

☐ \$5M to under \$25M

☐ \$25M to under \$100M

☐ \$100M to under \$500M

☐ \$500M to under \$1B

☐ \$1B or over

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**ITEM 6 - INVESTMENT FUND ISSUER INFORMATION**

*If the issuer is an investment fund, provide the following information.*

**a) Investment fund manager information**

Full legal name

Firm NRD number

(if applicable)

*If the investment fund manager does not have a firm NRD number, provide the head office contact information of the investment fund manager.*

Street address

Municipality

Province/State

Country

Postal code/Zip code

Telephone number

Website (if applicable)

**b) Type of investment fund**

*Type of investment fund that most accurately identifies the issuer (select only one).*

☐ Money market☐ Equity☐ Fixed income☐ Balanced☐ Alternative strategies☐ Cryptoasset☐ Other (describe)

*Indicate whether one or both of the following apply to the investment fund.*

☐ Invests primarily in other investment fund issuers☐ Is a UCITS Fund\*

*\*Undertaking for the Collective Investment of Transferable Securities funds (UCITS Funds) are investment funds regulated by the European Union (EU) directives that allow collective investment schemes to operate throughout the EU on a passport basis on authorization from one member state.*

**c) Date of formation and financial year-end of the investment fund**

Date of formation

YYYY

MM

DD

Financial year-end

MM

DD

**d) Reporting issuer status of the investment fund**

*Is the investment fund a reporting issuer in any jurisdiction of Canada?* ☐ No ☐ Yes

*If yes, select the jurisdictions of Canada in which the investment fund is a reporting issuer.*

☐ All☐ AB☐ BC☐ MB☐ NB☐ NL☐ NT☐ NS☐ NU☐ ON☐ PE☐ QC☐ SK☐ YT**e) Public listing status of the investment fund**

*If the investment fund has a CUSIP number, provide below (first 6 digits only)*

CUSIP number

*If the investment fund is publicly listed, provide the name of the exchange on which the investment fund's securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.*

Exchange name

**f) Net asset value (NAV) of the investment fund**

*Select the NAV range of the investment fund as of the date of the most recent NAV calculation (Canadian \$).*

☐ \$0 to under \$5M☐ \$5M to under \$25M☐ \$25M to under \$100M☐ \$100M to under \$500M☐ \$500M to under \$1B☐ \$1B or over

Date of NAV calculation:

YYYY

MM

DD

ITEM 7 - INFORMATION ABOUT THE DISTRIBUTION

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include in Item 7 and Schedule 1 information about purchasers resident in that jurisdiction of Canada only. Do not include in Item 7 securities issued as payment of commissions or finder's fees in connection with the distribution, which must be disclosed in Item 8. The information provided in Item 7 must reconcile with the information provided in Schedule 1 of the report.

a) Currency

Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.

☒ Canadian dollar ☐ US dollar ☐ Euro ☐ Other (describe)

b) Distribution date(s)

State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.

Start date 

2021	03	11
YYY	MM	DD

 End date 

2021	03	11
YYY	MM	DD

c) Detailed purchaser information

Complete Schedule 1 of this form for each purchaser and attach the schedule to the completed report.

d) Types of securities distributed

Provide the following information for all distributions reported on a per security basis. Refer to Part A(12) of the Instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.

Security code	CUSIP number (if applicable)	Description of security	Number of securities	Canadian \$		
				Single or lowest price	Highest price	Total amount
U B S	14116K	Each Unit consists of one common share and one share purchase warrant entitling the holder to acquire one additional common share at a price of \$1.50 for a period of 5 years.	43,298,268.00	0.7500	0.7500	32,474,451.00

e) Details of rights and convertible/exchangeable securities

If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeable securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.

Convertible / exchangeable security code	Underlying security code	Exercise price (Canadian \$)		Expiry date (YYY-MM-DD)	Conversion ratio	Describe other terms (if applicable)
		Lowest	Highest			
W N T	C M S	1.5000		2026-03-02	1:1	

f) Summary of the distribution by jurisdiction and exemption

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only.

This table requires a separate line item for: (i) each jurisdiction where a purchaser resides, (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Exemption relied on	Number of unique <sup>99</sup> purchasers	Total amount (Canadian \$)
Alberta	NI 45-106 2.3 [Accredited investor]	28	682,773.00
British Columbia	NI 45-106 2.3 [Accredited investor]	104	5,097,676.50
Manitoba	NI 45-106 2.3 [Accredited investor]	3	40,500.00
Newfoundland and Labrador	NI 45-106 2.3 [Accredited investor]	1	75,000.00
Ontario	NI 45-106 2.3 [Accredited investor]	73	3,039,942.75

Prince Edward Island	NI 45-106 2.3 [Accredited investor]	1	15,000.00
Québec	NI 45-106 2.3 [Accredited investor]	9	3,078,874.50
Saskatchewan	NI 45-106 2.3 [Accredited investor]	8	171,000.00
United States	NI 45-106 2.3 [Accredited investor]	288	5,818,036.50
Andorra	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	52,436.25
Argentina	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	75,000.00
Australia	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	32	519,250.50
Austria	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	4,500.00
Bahamas	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	300,000.00
Belgium	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	56,250.00
Bermuda	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	249,999.75
Brazil	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	43,125.00
Cambodia	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	11,250.00
Cayman Islands	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	3	1,622,250.00
Chile	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	37,182.00
China	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	75,000.00
Cyprus	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	61,827.00
Denmark	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	29,713.50
Estonia	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	3,000.00
France	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	349,999.50
Germany	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	13	807,903.75
Hong Kong	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	9	1,641,481.50
Ireland	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	4	133,982.25
Israel	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	7,436.25
Italy	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	16,779.00
Japan	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	15,375.00
Liechtenstein	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	562,500.00
Lithuania	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	75,000.00
Malaysia	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	41,643.75



Malta	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	22,308.75
Mauritius	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	3,750.00
Mexico	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	4	144,327.00
Netherlands	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	3,733.50
New Zealand	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	3	166,500.00
Norway	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	25,474.50
Panama	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	82,436.25
Philippines	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	30,000.00
Poland	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	29,745.75
Portugal	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	90,000.00
Puerto Rico	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	75,000.00
Saudi Arabia	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	20,529.00
Singapore	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	9	552,138.75
South Africa	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	96,672.75
Spain	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	103,309.50
Sweden	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	4	61,875.00
Switzerland	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	22	916,405.50
Taiwan, Province Of China	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	112,500.00
Thailand	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	450,000.00
Turkey	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	45,000.00
United Arab Emirates	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	3	89,712.75
United Kingdom	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	24	4,541,343.75
Total dollar amount of securities distributed			32,474,451.00
Total number of unique purchasers <sup>24</sup>			700

<sup>24</sup> In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.

<sup>25</sup> In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

g) Net proceeds to the investment fund by jurisdiction			
<i>If the issuer is an investment fund, provide the net proceeds to the investment fund for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides.<sup>8</sup> If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include net proceeds for that jurisdiction of Canada only. For jurisdictions within Canada, state the province or territory, otherwise state the country.</i>			
Province or country	Net proceeds (Canadian \$)		
Total net proceeds to the investment fund			
<i><sup>8</sup>Net proceeds means the gross proceeds realized in the jurisdiction from the distributions for which the report is being filed, less the gross redemptions that occurred during the distribution period covered by the report.</i>			
h) Offering materials - This section applies only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.			
<i>If a distribution has occurred in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, complete the table below by listing the offering materials that are required under the prospectus exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in those jurisdictions.</i>			
<i>In Ontario, if the offering materials listed in the table are required to be filed with or delivered to the Ontario Securities Commission (OSC), attach an electronic version of the offering materials that have not been previously filed with or delivered to the OSC.</i>			
Description	Date of document or other material (YYYY-MM-DD)	Previously filed with or delivered to regulator? (Y/N)	Date previously filed or delivered (YYYY-MM-DD)

**ITEM 8 - COMPENSATION INFORMATION**

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. Complete additional copies of this page if more than one person was, or will be, compensated.

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

☐ No ☒ Yes

If yes, indicate number of persons compensated.

1

**a) Name of person compensated and registration status**

Indicate whether the person compensated is a registrant.

☐ No

☒ Yes

If the person compensated is an individual, provide the name of the individual:

Full legal name of individual

Family name

First given name

Secondary given names

If the person compensated is not an individual, provide the following information:

Full legal name of non-individual

Haywood Securities Inc.

Firm NRD number

1

6

3

0

(if applicable)

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.

☒ No

☐ Yes

**b) Business contact information**

If a firm NRD number is not provided in Item 8 (a), provide the business contact information of the person being compensated.

Street address

Municipality

Country

Email address

Province/State

Postal code/Zip code

Telephone number

**c) Relationship to issuer or investment fund manager**

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part 8(2) of the instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

☐ Connected with the issuer or investment fund manager

☐ Insider of the issuer (other than an investment fund)

☐ Director or officer of the investment fund or investment fund manager

☐ Employee of the issuer or investment fund manager

☒ None of the above

**d) Compensation details**

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

Cash commissions paid

43,200.00

Value of all securities distributed as compensation\*

Security codes

Security code 1	Security code 2	Security code 3

Describe terms of warrants, options or other rights

Other compensation†

Describe

Total compensation paid

43,200.00

☐ Check box if the person will or may receive any deferred compensation (describe the terms below)

\*Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

†Do not include deferred compensation.



ITEM 9 - DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER

If the issuer is an investment fund, do not complete Item 9. Proceed to Item 10.

Indicate whether the issuer is any of the following (select the one that applies - if more than one applies, select only one).

- ☒ Reporting issuer in any jurisdiction of Canada
- ☐ Foreign public issuer
- ☐ Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada<sup>a</sup>

Provide name of reporting issuer

- ☐ Wholly owned subsidiary of a foreign public issuer<sup>a</sup>

Provide name of foreign public issuer

- ☐ Issuer distributing only eligible foreign securities and the distribution is to permitted clients only<sup>b</sup>

If the issuer is at least one of the above, do not complete Item 9(a) - (c). Proceed to Item 10.

<sup>a</sup>An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

<sup>b</sup>Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part B(1) of the Instructions.

- ☐ If the issuer is none of the above, check this box and complete Item 9(a) - (c).

a) Directors, executive officers and promoters of the issuer

Provide the following information for each director, executive officer and promoter of the issuer. For locations within Canada, state the province or territory; otherwise state the country. For "Relationship to issuer", "D" - Director, "O" - Executive Officer, "P" - Promoter.

Organization or company name	Family name	First given name	Secondary given names	Business location of non-individual (if residential jurisdiction of individual)	Relationship to issuer (select all that apply)		
				Province or country	D	O	P

b) Promoter information

If the promoter listed above is not an individual, provide the following information for each director and executive officer of the promoter. For locations within Canada, state the province or territory; otherwise state the country. For "Relationship to promoter", "D" - Director, "O" - Executive Officer.

Organization or company name	Family name	First given name	Secondary given names	Residential jurisdiction of individual	Relationship to promoter (select one or both if applicable)	
				Province or country	D	O

c) Residential address of each individual

Complete Schedule 2 of this form providing the full residential address for each individual listed in Item 9(a) and (b) and attach to the completed report. Schedule 2 also requires information to be provided about control persons.

ITEM 10 - CERTIFICATION

Provide the following certification and business contact information of an officer, director or agent of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may be delegated, but only to an agent that has been authorized by an officer or director of the issuer or underwriter to prepare and certify the report on behalf of the issuer or underwriter. If the report is being certified by an agent on behalf of the issuer or underwriter, provide the applicable information for the agent in the boxes below.

If the individual completing and filing the report is different from the individual certifying the report, provide the name and contact details for the individual completing and filing the report in Item 11.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

Securities legislation requires an issuer or underwriter that makes a distribution of securities under certain prospectus exemptions to file a completed report of exempt distribution.

By completing the information below, I certify, on behalf of the issuer/underwriter/investment fund manager, to the securities regulatory authority or regulator, as applicable, that I have reviewed this report and to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.

Name of issuer/underwriter/ investment fund manager/agent	Carbon Streaming Corporation		
Full legal name	Keams	Conor	
	Family name	First given name	Secondary given names
Title	CFO		
Telephone number	4167865658	Email address	conor@carbonstreaming.com
Signature	"Conor Keams"		Date
			2021 03 19
			YYYY MM DD

ITEM 11- CONTACT PERSON

Provide the following business contact information for the individual that the securities regulatory authority or regulator may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 10.

☐ Same as individual certifying the report

Full legal name	Walmesley	Erin		Title	Securities Paralegal
	Family name	First given name	Secondary given names		
Name of company	Owen Bird Law Corporation				
Telephone number	6046975607	Email address	ewalmesley@owenbird.com		

#### Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the local jurisdiction(s) where the report is filed, at the address(es) listed at the end of this form.

The attached Schedules 1 and 2 may contain personal information of individuals and details of the distribution(s). The information in Schedules 1 and 2 will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

By signing this report, the issuer/underwriter confirms that each individual listed in Schedule 1 or 2 of the report who is resident in a jurisdiction of Canada:

- a) has been notified by the issuer/underwriter of the delivery to the securities regulatory authority or regulator of the information pertaining to the individual as set out in Schedules 1 or 2, that this information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and of the title, business address and business telephone number of the public official in the local jurisdiction, as set out in this form, who can answer questions about the securities regulatory authority's or regulator's indirect collection of the information, and
- b) has authorized the indirect collection of the information by the securities regulatory authority or regulator.

Form 52-109FV2

Certification of Interim Filings  
Venture Issuer Basic Certificate

I, **Justin Cochrane**, Chief Executive Officer of Carbon Streaming Corporation (formerly Mexivada Mining Corp.), certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Carbon Streaming Corporation (the “issuer”) for the interim period ended December 31, 2020.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: March 1, 2021

“Justin Cochrane”

Justin Cochrane,  
Chief Executive Officer

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52- 109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Form 52-109FV2

Certification of Interim Filings  
Venture Issuer Basic Certificate

I, **Conor Kearns**, Chief Financial Officer of Carbon Streaming Corporation (formerly Mexivada Mining Corp.), certify the following:

- 1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Carbon Streaming Corporation (the “issuer”) for the interim period ended December 31, 2020.
- 2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
- 3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: March 1, 2021

“Conor Kearns”

Conor Kearns,  
Chief Financial Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.



**CARBON STREAMING CORPORATION**  
(formerly Mexivada Mining Corp.)

**Condensed Consolidated Interim Financial Statements**  
**December 31, 2020 and 2019**  
**Expressed in Canadian Dollars**  
**(Unaudited)**

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Carbon Streaming Corporation  
Condensed consolidated interim statements of financial position  
(Expressed in Canadian dollars)  
(Unaudited)

	<u>Notes</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u> <i>(Audited)</i>
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 1,284,100	\$ 310,202
Receivables		3,678	2,934
		<u><u>\$ 1,287,778</u></u>	<u><u>\$ 313,136</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	4, 6	<u>\$ 659,855</u>	<u>\$ 131,815</u>
<b>Shareholders' equity</b>			
Share capital	5	14,794,027	14,551,527
Subscriptions received	9	770,000	-
Share-based payment reserve	5	1,885,388	1,885,388
Deficit		(16,821,492)	(16,255,594)
		<u>627,923</u>	<u>181,321</u>
		<u><u>\$ 1,287,778</u></u>	<u><u>\$ 313,136</u></u>

Nature and continuance of operations (Note 1) Subsequent events (Note 9)

**On behalf of the Board:**

<u>“Justin Cochrane”</u>	Director	<u>“Maurice Swan”</u>	Director
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The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Carbon Streaming Corporation  
Condensed consolidated interim statements of loss and comprehensive loss  
(Expressed in Canadian dollars)  
(Unaudited)

	Notes	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the six months ended December 31, 2020	For the six months ended December 31, 2019
<b>EXPENSES</b>					
Consulting fees	6	\$ 508,352	\$ -	\$ 508,352	\$ -
Foreign exchange gain		-	(3,491)	-	(1,346)
Office and general		2,571	-	4,968	-
Professional fees		23,155	7,500	39,275	15,000
Transfer agent and filing fees		5,700	-	13,303	-
Loss and comprehensive loss for the period		<u>\$ (539,778)</u>	<u>\$ (4,009)</u>	<u>\$ (565,898)</u>	<u>\$ (13,654)</u>
Basic and diluted loss per common share		<u>\$ (0.04)</u>	<u>\$ (0.00)</u>	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding		<u>15,541,124</u>	<u>695,636</u>	<u>15,258,516</u>	<u>695,636</u>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements



Carbon Streaming Corporation  
Condensed consolidated interim statements of changes in shareholders' equity (deficiency)  
(Expressed in Canadian dollars)  
(Unaudited)

	Number of shares	Amount	Subscriptions received	Share- based payment reserve	Deficit	Total
<b>Balance at June 30, 2019</b>	<b>695,636</b>	<b>\$13,846,500</b>	<b>\$ -</b>	<b>\$1,885,388</b>	<b>\$(16,146,840)</b>	<b>\$(414,952)</b>
Comprehensive loss:						
Loss for the period	-	-	-	-	(13,654)	(13,654)
<b>Balance at December 31, 2019</b>	<b>695,636</b>	<b>13,846,500</b>	<b>-</b>	<b>1,885,388</b>	<b>(16,160,494)</b>	<b>(428,606)</b>
Shares issued for cash	14,280,000	714,000	-	-	-	714,000
Share issuance costs	-	(8,973)	-	-	-	(8,973)
Comprehensive loss:						
Loss for the period	-	-	-	-	(95,100)	(95,100)
<b>Balance at June 30, 2020</b>	<b>14,975,636</b>	<b>14,551,527</b>	<b>-</b>	<b>1,885,388</b>	<b>(16,255,594)</b>	<b>181,321</b>
Shares issued for cash	4,850,000	242,500	-	-	-	242,500
Subscriptions received	-	-	770,000	-	-	770,000
Comprehensive loss:						
Loss for the period	-	-	-	-	(565,898)	(565,898)
<b>Balance at December 31, 2020</b>	<b>19,825,636</b>	<b>\$14,794,027</b>	<b>\$ 770,000</b>	<b>\$1,885,388</b>	<b>\$(16,821,492)</b>	<b>\$ 627,923</b>

On June 15, 2020, the Company completed a 100-old for 1-new share consolidation and a name change to Carbon Streaming Corporation. All common shares, warrants, options, per share amounts and weighted average number of shares outstanding have been retroactively restated to reflect this share consolidation.

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Carbon Streaming Corporation  
Condensed consolidated interim statements of cash flows  
Six months ended  
(Expressed in Canadian dollars)  
(Unaudited)

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>Operating activities</b>		
Loss for the period	\$ (565,898)	\$ (13,654)
Items not effecting cash:		
Foreign exchange	-	(1,346)
Changes in non-cash working capital items:		
Accounts receivable	(744)	-
Accounts payable and accrued liabilities	528,040	15,000
<b>Net cash (used) in operating activities</b>	<u>(38,602)</u>	<u>-</u>
<b>Financing activities</b>		
Shares issued for cash	242,500	-
Subscriptions received	770,000	-
<b>Net cash from financing activities</b>	<u>1,012,500</u>	<u>-</u>
Increase in cash	973,898	-
Cash, beginning of period	310,202	-
<b>Cash, end of period</b>	<u><u>\$ 1,284,100</u></u>	<u><u>\$ -</u></u>
<b>Supplemental cash flow information</b>		
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid (received)	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

**1. Nature and continuance of operations**

Carbon Streaming Corporation (formerly Mexivada Mining Corp.) (the “Company”) was incorporated on September 13, 2004 under the *Business Corporations Act* (British Columbia), and historically its principal activity has been the exploration of mineral properties. The Company’s shares previously traded on the TSX Venture Exchange (“TSX-V”) under the symbol “MNV”. Pursuant to three cease trade orders (issued by the British Columbia Securities Commission on November 20, 2012, the Ontario Securities Commission on December 3, 2012, and the Alberta Securities Commission on March 5, 2013) the Company’s shares were cease-traded and halted from trading on the TSX-V. On May 9, 2017, the Company’s shares were delisted from trading on the TSX-V for failing to pay outstanding sustaining fees. In February 2020, the Company was successful in obtaining full revocation orders to all three cease trade orders. The Company’s shares are not presently listed for trading on any stock exchange.

The head office, principal address and records office of the Company are located at 300 – 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9. The Company’s registered address is Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J5.

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These unaudited condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at December 31, 2020, the Company has not yet achieved profitable operations, has a working capital position of \$627,923 (June 30, 2020 – \$181,321), has an accumulated deficit of \$16,821,492 (June 30, 2020 - \$16,255,594) and is not able to finance day to day activities through operations. There is a material uncertainty related to the foregoing events and conditions that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s continuation as a going concern is dependent upon the successful results from its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management believes it will be able to raise sufficient funds to finance operating costs over the next twelve months with equity placement, subject to regulatory approval and reactivation of the Company, or advances from directors.

These unaudited condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

**2. Significant accounting policies and basis of preparation Statement of compliance:**

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on February 28, 2021.

**Basis of preparation**

These unaudited condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable for financial instruments measured at fair value. These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

**Basis of consolidation**

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, 1253661 B.C. Ltd., which was acquired on June 17, 2020 in conjunction with a three-cornered amalgamation (the “Transaction”).

The three-cornered amalgamation was executed between a then existing subsidiary of the Company, 1247374 B.C. Ltd. (“Subco”), and a third company 1247372 B.C. Ltd (“Fundco”). At the time of the Transaction, neither Subco nor Fundco met the definition of a business under IFRS 3, *Business Combinations*. Prior to the Transaction, Fundco had advanced loans to the Company. The Transaction was recognized as a transaction with owners whereby the Company received cash of \$714,000, less issuance costs, and issued 14,280,000 common shares to the former shareholders of Fundco. Subco and Fundco amalgamated as part of the Transaction and continued as 1253661 B.C. Ltd.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

**Significant accounting judgments and estimates**

The preparation of these unaudited condensed consolidated interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the periods of change, if the change affects that period only, or in the period of the change of future periods, if the change affects both.

**2. Significant accounting policies and basis of preparation (continued)**

**Significant accounting judgments and estimates (continued)**

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in the Company's condensed consolidated interim financial statements include:

*Going Concern*

The determination of the Company's ability to continue as a going concern requires significant judgment. Material adjustments to the Company's assets and liabilities could be required if the going concern assumption was not appropriate.

**3. Accounting standards, amendments and interpretations issued**

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

**4. Accounts payable and accrued liabilities**

	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Accounts payable	\$ 101,953	\$ 76,443
Accrued liabilities	380,370	47,872
Due to related parties	177,532	7,500
	<u>\$ 659,855</u>	<u>\$ 131,815</u>

Accrued liabilities includes consulting fees of US\$250,000 for past services accrued under 3 consulting agreements signed in January 2021 as part of the Company's refocus.

**5. Share capital**

**Authorized share capital**

Unlimited number of voting common shares without par value and unlimited number of preferred shares without par value.

**Issued share capital**

On June 15, 2020, the Company completed a 100-old for 1-new share consolidation and a name change. All common shares, warrants, options, loss per share and weighted average number of shares outstanding have been retroactively restated to reflect this share consolidation.

At December 31, 2020, there were 19,825,636 issued and fully paid common shares (June 30, 2020 – 14,975,636).

During December 2020, the Company, in two tranches, issued 4,850,000 units for gross proceeds of \$242,500. Each unit is comprised of one common share and one share purchase warrant, with 1,400,000 warrants exercisable at \$0.125 until December 16, 2025 and 3,450,000 warrants exercisable at \$0.125 until December 22, 2025.

**Stock options**

The Company has a stock option plan where the directors are authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company.

There were no stock options outstanding as at December 31, 2020 or June 30, 2020.

**Warrants**

There were share purchase warrants outstanding as at December 31, 2020 enabling the holders to acquire up to 19,130,000 (June 30, 2020 - 14,280,000) common shares of the Company at a price of \$0.125 per share, expiring between April 22 and December 22, 2025.

**Reserves**

**Share-based payment reserve**

The share-based payment reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

**6. Related party transactions**

**Related party balances**

During the six months ended December 31, 2020, the Company entered into the following transactions with related parties:

- a) In January 2021, as part of the Company's refocus, an employment agreement was signed and the Company accrued consulting fees of \$127,300 (US\$100,000) for past services (2019 - \$Nil) to the current Chief Executive Officer of the Company.
- b) In January 2021, as part of the Company's refocus, an employment agreement was signed and the Company accrued consulting fees of \$12,732 (US\$10,000) for past services (2019 - \$Nil) to the current Chief Financial Officer of the Company.
- c) Paid or accrued consulting fees of \$25,000 (2019 - \$Nil) to two former directors of the Company.
- d) Paid or accrued professional fees of \$5,000 (2019 - \$5,000) to the former Chief Financial Officer of the Company.

As at December 31, 2020, accounts payable and accrued liabilities included \$177,532 owing to related parties.

**Key management personnel compensation**

The Company's related parties include key management personnel. Key management personnel includes executive officers and members of the Company's Board of Directors.

Key management personnel compensation disclosed above (including senior officers and certain directors of the Company):

	December 31, 2020	December 31, 2019
Short-term benefits	\$ 170,032	\$ 5,000
Share-based payments	-	-

**7. Financial instrument fair value and risk factors**

**Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash, accounts payable and accrued liabilities and amounts due to related parties. The carrying value of these financial instruments approximates their fair value. Cash is measured based on Level 1 input of the fair value hierarchy.

The following is an analysis of the Company's financial assets measured at fair value as at December 31, 2020 and June 30, 2020:

	As at December 31, 2020		
	Level 1	Level 2	Level 3
Cash	\$ 1,284,100	\$ -	\$ -

	As at June 30, 2020		
	Level 1	Level 2	Level 3
Cash	\$ 310,202	\$ -	\$ -

**Risk factors**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

*Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is held in trust with the Company's legal counsel. Credit risk has been assessed as low.

*Currency Risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures, and owed related parties balances, that are denominated in United States dollars while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's cash is usually held in Canadian dollars. As the Company has limited number of transactions in foreign currencies, currency risk has been assessed as low.



**7. Financial instrument fair value and risk factors (continued)**

Currency Risk (continued)

As at December 31, 2020 and 2019, the Company is exposed to currency risk through the following financial instruments denominated in US dollars:

	2020		2019	
	US \$	Cdn \$	US \$	Cdn \$
Accounts payable and accrued liabilities	(350,000)	(445,550)	-	-
Net exposure	(350,000)	(445,550)	-	-

Assuming all other variables remain constant, a 5% (2019 - 5%) weakening or strengthening of the Canadian dollar against the US dollar would result in a change of approximately \$17,500 (2019 - \$Nil) to loss and comprehensive loss.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company was exposed to interest rate risk on its bank account until the time it was closed. The income earned on the bank account was subject to the movements in interest rates. The Company has no-interest bearing debt. Therefore, interest rate risk has been assessed as nominal.

*Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions, liquidity risk has been assessed as moderate.

**8. Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of \$665,655 at December 31, 2020 (June 30, 2020 - \$181,321).

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

**9. Subsequent events**

- a) Subsequent to December 31, 2020, the Company closed a non-brokered private placement of 14,670,000 units in the capital of the Company at \$0.25 per unit for gross proceeds of \$3,667,500, of which \$770,000 was received as at December 31, 2020. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.75 for a period of five years from the date of issue.
- b) Subsequent to December 31, 2020, the Company initiated a non-brokered private placement of units in the capital of the Company at \$0.75 per unit. Each unit will consist of one common share and one share purchase warrant, with each warrant exercisable at \$1.50 for a period of five years from the date of issue.



**CARBON STREAMING CORPORATION**  
(Formerly Mexivada Mining Corp.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2020**

This management's discussion and analysis ("MD&A") reviews the significant activities of Carbon Streaming Corporation (formerly Mexivada Mining Corp.) ("CSC" or the "Company") and analyzes the financial results for the three and six months ended December 31, 2020. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended December 31, 2020 of the Company with the related notes thereto, and the Company's audited annual consolidated financial statements for the year ended June 30, 2020 and the related notes thereto, which are available for viewing on [www.sedar.com](http://www.sedar.com).

All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is February 28, 2021.

Management is responsible for the preparation and integrity of the Company's unaudited condensed consolidated interim financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's financial statements and MD&A, is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Although such information is considered to be accurate, actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

**Overview**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 13, 2004 under the name "Mexivada Mining Corp.", and commenced operations on November 18, 2004. The Company has historically focused on the acquisition of precious and rare high tech metal exploration properties in Mexico, the state of Nevada in the United States, and in the province of Ontario in Canada.

Until recently, the Company had been subject to the following cease trade orders ("CTO"s) with respect to the Company's failure to file its annual financial statements for the fiscal year ended June 30, 2012, and corresponding MD&A:

1. CTO issued by the British Columbia Securities Commission on November 19, 2012;
2. CTO issued by the Ontario Securities Commission (OSC) on December 3, 2012; and
3. CTO issued by the Alberta Securities Commission (ASC) on March 5, 2013.

During the year ended June 30, 2020, the Company made application to have the CTOs revoked; and in February 2020, the Company was successful in obtaining full revocation orders to all three CTOs.

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The Company's shares previously traded on the TSX Venture Exchange ("TSX-V") under the symbol "MNV". Upon the first CTO being issued, the Company's shares were halted from trading and, on May 9, 2017, the Company's shares were delisted from trading on the TSX-V for failing to pay outstanding sustaining fees. The Company's shares are not presently listed for trading on any stock exchange.

Since the rescission of the CTOs, the Company has changed its business focus from mineral exploration to becoming an investment company, focused on the regulated and voluntary carbon offset and sequestration sectors. To that end, the Company has raised funds to settle its outstanding liabilities, for general and administrative expenses, and to seek investment opportunities.

### **Corporate Restructuring**

On May 21, 2020, at the Company's annual general meeting of shareholders, three new directors were appointed, to expand the Company's board to four members. On June 15, 2020, the Company completed a 100-old for 1-new share consolidation and a name change to Carbon Streaming Corporation. All common shares, warrants, options, loss per share and weighted average number of shares outstanding have been retroactively restated to reflect this share consolidation.

During September 2020, Richard Redfern resigned from the Company's board of directors and as Chief Executive Officer.

Subsequent to December 31, 2020, Colin Watt, Ming Jang and Edgar Froese resigned as directors of the Company and were replaced by Justin Cochrane, Maurice Swan and Andy Tester. Mr. Cochrane was also appointed as Chief Executive Officer of the Company. In addition, Mark Gelmon resigned as Chief Financial Officer of the Company and was replaced by Conor Kearns.

The Company intends to become an investment company, focused on the regulated and voluntary carbon offset and sequestration sectors. However, to date, the Company remains in the process of investigating opportunities in these sectors and has not entered in to any transactions. The Company has recently raised some new capital through the sale of equity (see "Financings" section below). However, there is no assurance that it will be successful in finding any investments.

### **Amalgamation**

In June 2020, the Company completed an amalgamation with 1247372 B.C. Ltd. ("Fundco"). Fundco previously raised \$714,000 on a unit private placement basis at \$0.05 per unit, and had loaned funds to the Company to enable the Company to settle the majority of its outstanding liabilities. As a result of the amalgamation, the Company issued 14,280,000 shares to the Fundco shareholders, and an equivalent number of warrants exercisable at \$0.125 per share until April 22, 2025. The Company incurred issuance costs totalling \$8,973 in conjunction with this transaction.

### **Financings**

During December 2020, the Company issued 4,850,000 units for gross proceeds of \$242,500. Each unit is comprised of one common share and one share purchase warrant, with 1,400,000 warrants exercisable at \$0.125 until December 16, 2025 and 3,450,000 warrants exercisable at \$0.125 until December 22, 2025.

During January 2021, the Company closed a non-brokered private placement of 14,670,000 units in the capital of the Company at \$0.25 per unit for gross proceeds of \$3,667,500, of which \$770,000 was received as at December 31, 2020. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.75 for a period of five years from the date of issue.

In addition, the Company is currently undertaking a further fund raising through the sale of units at a price of \$0.75 per unit; each unit to be comprised of one share and one share purchase warrant exercisable to acquire an additional Share at \$1.50 for five years from the date of issue, for use in making at least two investments or acquisitions.

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## **Results of Operations**

### *Three months ended December 31, 2020*

During the three months ended December 31, 2020 (the “current period”), the Company incurred a loss and comprehensive loss of \$539,778 compared to a loss of \$4,009 for the three months ended December 31, 2019 (the “comparative period”).

During the current period, the Company incurred professional fees of \$23,155 as compared to \$7,500 incurred during the comparative period. This increase reflects costs incurred by the Company toward preparing and filing outstanding financial statements, and legal fees relating to post-amalgamation and corporate matters. The Company also recorded consulting fees of \$508,352 (2019 - \$Nil) related to the Company’s transition to an investment company, focused on the regulated and voluntary carbon offset and sequestration sectors. (see Commitments section below for discussion).

### *Six months ended December 31, 2020*

During the six months ended December 31, 2020 (the “current six-month period”), the Company incurred a loss and comprehensive loss of \$565,898 compared to a loss of \$13,654 for the six months ended December 31, 2019 (the “comparative six-month period”).

During the current six-month period, the Company incurred professional fees of \$39,275 as compared to \$15,000 incurred during the comparative six-month period. This increase reflects costs incurred by the Company toward preparing and filing outstanding financial statements, and legal fees relating to post-amalgamation and corporate matters. The Company also recorded consulting fees of \$508,352 (2019 - \$Nil) related to the Company’s transition to an investment company, focused on the regulated and voluntary carbon offset and sequestration sectors. (see Commitments section below for discussion).

## **Summary of Quarterly Results**

The following is a summary of certain financial information for each of the eight most recently completed quarters:

	<i>Three Months Ended Dec 31, 2020</i>	<i>Three Months Ended Sept 30, 2020</i>	<i>Three Months Ended June 30, 2020</i>	<i>Three Months Ended Mar 31, 2020</i>
<i>Total assets</i>	<i>\$ 1,287,778</i>	<i>\$ 346,610</i>	<i>\$ 313,136</i>	<i>\$ -</i>
<i>Working capital (deficiency)</i>	<i>627,923</i>	<i>155,201</i>	<i>181,321</i>	<i>(512,304)</i>
<i>Loss for the period</i>	<i>(539,778)</i>	<i>(26,120)</i>	<i>(11,402)</i>	<i>(83,698)</i>
<i>Loss per share</i>	<i>(0.04)</i>	<i>(0.00)</i>	<i>(0.00)</i>	<i>(0.12)</i>
	<i>Three Months Ended Dec 31, 2019</i>	<i>Three Months Ended Sept 30, 2019</i>	<i>Three Months Ended June 30, 2019</i>	<i>Three Months Ended Mar 31, 2019</i>
<i>Total assets</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>Working capital (deficiency)</i>	<i>(428,606)</i>	<i>(424,597)</i>	<i>(414,952)</i>	<i>(406,240)</i>
<i>Loss for the period</i>	<i>(4,009)</i>	<i>(9,645)</i>	<i>(8,712)</i>	<i>(2,669)</i>
<i>Loss per share</i>	<i>(0.01)</i>	<i>(0.01)</i>	<i>(0.01)</i>	<i>(0.00)</i>

## **Related party transactions**

### ***Related party balances***

During the six months ended December 31, 2020, the Company entered into the following transactions with related parties:

- a) In January 2021, as part of the Company's refocus, an employment agreement was signed and the Company accrued consulting fees of \$127,300 (US\$100,000) for past services (2019 - \$Nil) to the current Chief Executive Officer of the Company.
- b) In January 2021, as part of the Company's refocus, an employment agreement was signed and the Company accrued consulting fees of \$12,732 (US\$10,000) for past services (2019 - \$Nil) to the current Chief Financial Officer of the Company.
- c) Paid or accrued consulting fees of \$25,000 (2019 - \$Nil) to two former directors of the Company.
- d) Paid or accrued professional fees of \$5,000 (2019 - \$5,000) to the former Chief Financial Officer of the Company.

As at December 31, 2020, accounts payable and accrued liabilities included \$177,032 owing to related parties.

### ***Key management personnel compensation***

The Company's related parties include key management personnel. Key management personnel includes executive officers and members of the Board of Directors of the Company.

Key management personnel compensation disclosed above (including senior officers and certain directors of the Company):

	December 31, 2020	December 31, 2019
Short-term benefits	\$ 170,032	\$ 5,000
Share-based payments	-	-

## **Commitments**

During January 2021, and as part of the Company's refocus, the Company entered into employment agreements with the current CEO and current CFO of the Company and entered into various consulting agreements.

## **Other Matters**

The Company has no business or operations, and no positive operating cash flow. As at December 31, 2020, the Company had working capital of \$640,655 inclusive of cash on hand of \$1,284,100. This compares to working capital of \$181,321 as at June 30, 2020, inclusive of cash on hand of \$310,202.

As at December 31, 2020, the Company had current and total assets of \$1,287,778 (June 30, 2020 - \$313,136) and total liabilities of \$647,123 (June 30, 2020 - \$131,815). The Company does not have any long-term debt.

The Company may need to raise additional capital in order to make any significant investments. However, there can be no assurances that the Company will be successful in obtaining financing on terms acceptable to it, or at all. During the current quarter, the Company initiated a non-brokered private placement to raise additional funds through the distribution of units at \$0.75 per unit. See "Financings" section above.

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There are no known trends, risks or demands affecting the Company except that (i) for the Company to carry on any new active business, it may be required to raise new financing, and (ii) the Company may incur additional expenses or delays due to capital market uncertainty and business disruptions caused by the Covid-19 global pandemic. The future impact of the outbreak is highly uncertain and cannot be predicted. There can be no assurance that such disruptions, delays and expenses will not have a material adverse impact on our business objectives and milestones over the next 12 months.

The major operating milestones affecting or pertaining to the Company are: (i) to make initial acquisitions in the regulated and voluntary carbon offset and sequestration sectors; and (ii) to seek to resume trading on a stock exchange in Canada. There is no assurance any of the above will occur.

The Company has no off-balance sheet arrangements as at the date of this MD&A.

The Company has no undisclosed proposed transactions as at the date of this MD&A.

The Company has not adopted any new accounting policies, nor does it expect to adopt any new accounting policies during the remainder of fiscal 2021, including changes to be made voluntarily or those due to a change in an accounting standard or a new accounting standard that the Company does not have to adopt until a future date.

For a discussion of financial instruments, and the risks associated therewith, see Note 8 to the Company's unaudited condensed consolidated interim financial statements for the three and six months ended December 31, 2020. The Company's financial assets consist of cash, whereas the Company's financial liabilities consist of accounts payable and accrued liabilities and amounts due to related parties. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

As at the date of this MD&A, the Company has 34,495,636 common shares issued and outstanding, 19,130,000 warrants exercisable at \$0.125 per share until between April 22 and December 22, 2025 and 14,670,000 warrants exercisable at \$0.75 per share until January 27, 2026. There are no other securities outstanding in the capital of the Company as of the date of this MD&A.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

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**NEWS RELEASE****Corporate Update**

February 8, 2021

Carbon Streaming Corporation (the “Company”) provides the following update on its corporate affairs as it continues with its plans to become an investment company, focused on the regulated and voluntary carbon offset and sequestration sectors.

**Changes in Board of Directors and Management**

Effective January 27, 2021 a new board of directors and officers were appointed with extensive experience in stream financing, investments, M&A and corporate finance. In addition, the new team has established relationships with experienced participants in international carbon markets. The new appointees include:

**Justin Cochrane** (Director, President & CEO)

Mr. Cochrane has 20 years of royalty and stream financing, M&A and corporate finance experience. His streaming and royalty expertise includes acting as President and CEO of Nickel 28 Capital Corp. and formerly the President & COO of Cobalt 27 Capital Corp. Both companies focused on streaming and royalty agreements on battery metals. Cobalt 27 raised over \$1 billion in equity and debt prior to its sale to Pala Investments Limited in 2019.

Prior to Cobalt 27, Mr. Cochrane served as the Executive Vice President and Head of Corporate Development for Sandstorm Gold Ltd. His expertise is in the structuring, negotiation, execution and funding of royalty and stream financing contracts around the world, totaling over \$2 billion across 50+ projects. Prior to Sandstorm, he spent nine years in investment banking and equity capital markets with National Bank Financial where he covered the resource, clean tech and energy technology sectors. In addition, Mr. Cochrane is currently a board member of Nevada Copper Corp. and an investment committee member of Duke Royalty Limited.

Mr. Cochrane is a CFA charterholder and a registered and licensed security advisor in Canada.

**Conor Kearns** (CFO)

Mr. Kearns has nearly two decades of accounting, auditing, finance and tax structuring experience providing advisory services to a wide array of businesses, with a recent focus on streaming and royalty businesses. Most recently serving as the CFO of Nickel 28 Capital Corp., a base metals streaming and royalty company, and prior to that as Vice President of Finance of Cobalt 27 Capital Corp., an electric metals streaming and royalty company. Prior to joining Cobalt 27, Mr. Kearns was the Chief Financial Officer of EFT Canada Inc., a fintech company which provides advanced electronic payment services and tools for businesses.

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**Maurice Swan** (Director)

Mr. Swan is a lawyer and is the general counsel of Superior Gold Inc. Previously, he was a partner at Stikeman Elliott LLP. Mr. Swan practiced corporate law at Stikeman Elliott LLP for over 24 years with wide ranging experience, including extensive work in debt capital markets, securitization, corporate finance, and mergers and acquisitions, and with a particular focus on transactions in the global mining and metals sector. Mr. Swan earned leading lawyer accolades from publications including Lexpert, International Finance & Law Review, Who’s Who Legal and Best Lawyers. In addition, Mr. Swan is also a director of Nickel 28 Capital Corp.

**Andy Tester** (Director)

Mr. Tester is a naturalist and labor advocate. Over the past 20 years, he has spent the majority of his time in the Pacific Northwest and Alaska working to raise awareness on the plight of endangered salmon and steelhead runs through guiding and other efforts to bring people into the outdoors. He is a member of the International Longshore & Warehouse Union. Mr. Tester holds a B.A. from Eastern Oregon University.

Concurrent with these new appointments Colin Watt, Ming Jang and Edgar Froese resigned as directors, and Mark Gelmon resigned as CFO.

**ON BEHALF OF THE BOARD:**

*“Justin Cochrane”*

Justin Cochrane, Director, President and CEO

**Cautionary Statement Regarding Forward-Looking Information**

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation pertaining to anticipated fund raising and use of proceeds. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. There is no assurance that the Company will be successful in raising any additional funds, or that it will be able to use those funds in the manner contemplated by the Company. Undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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Form 45-106F1 Report of Exempt Distribution

BCSC EDER Reference Number 9366837

ITEM 1 - REPORT TYPE	
<input checked="" type="checkbox"/> New report	
<input type="checkbox"/> Amended report	If amended, provide filing date of report that is being amended <input type="text"/> <input type="text"/> <input type="text"/> (YYYY-MM-DD)

ITEM 2 - PARTY CERTIFYING THE REPORT	
Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 Investment Fund Continuous Disclosure and the companion policy to NI 81-106.	
<input type="checkbox"/> Investment fund issuer	
<input checked="" type="checkbox"/> Issuer (other than an investment fund)	
<input type="checkbox"/> Underwriter	

ITEM 3 - ISSUER NAME AND OTHER IDENTIFIERS	
Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.	
Full legal name	Carbon Streaming Corporation
Previous full legal name	Mexivada Mining Corp.
If the issuer's name changed in the last 12 months, provide most recent previous legal name.	
Website	<input type="text"/> (If applicable)
If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".	
Legal entity identifier	<input type="text"/>
If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.	
Full legal name(s) of co-issuer(s)	<input type="text"/> (If applicable)

ITEM 4 - UNDERWRITER INFORMATION	
If an underwriter is completing the report, provide the underwriter's full legal name and firm NRD number.	
Full legal name	<input type="text"/>
Firm NRD number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> (If applicable)
If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.	
Street address	<input type="text"/>
Municipality	<input type="text"/>
Country	<input type="text"/>
Telephone number	<input type="text"/>
Province/State	<input type="text"/>
Postal code/Zip code	<input type="text"/>
Website	<input type="text"/> (If applicable)

**ITEM 5 - ISSUER INFORMATION**

**If the issuer is an investment fund, do not complete Item 5. Proceed to Item 6.**

**a) Primary industry**

Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that in your reasonable judgment most closely corresponds to the issuer's primary business activity.

NAICS industry code 

5	4	1	9	9	0
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If the issuer is in the **mining industry**, indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.

☐ Exploration ☐ Development ☐ Production

Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply:

☐ Mortgages ☐ Real estate ☐ Commercial/business debt ☐ Consumer debt ☐ Private companies  
☐ Cryptoassets

**b) Number of employees**

Number of employees: ☒ 0 - 49 ☐ 50 - 99 ☐ 100 - 499 ☐ 500 or more

**c) SEDAR profile number**

Does the issuer have a SEDAR profile?

☐ No ☒ Yes If yes, provide SEDAR profile number 

0	0	0	2	2	7	1	0
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**If the issuer does not have SEDAR profile complete item 5(d) - (h).**

**d) Head office address**

Street address	<input type="text"/>	Province/State	<input type="text"/>
Municipality	<input type="text"/>	Postal code/Zip code	<input type="text"/>
Country	<input type="text"/>	Telephone number	<input type="text"/>

**e) Date of formation and financial year-end**

Date of formation 

<input type="text"/>	<input type="text"/>	<input type="text"/>
YYYY	MM	DD

 Financial year-end 

<input type="text"/>	<input type="text"/>
MM	DD

**f) Reporting issuer status**

Is the issuer a reporting issuer in any jurisdiction of Canada? ☐ No ☐ Yes

If yes, select the jurisdictions of Canada in which the issuer is a reporting issuer.

☐ All ☐ AB ☐ BC ☐ MB ☐ NB ☐ NL ☐ NT  
☐ NS ☐ NU ☐ ON ☐ PE ☐ QC ☐ SK ☐ YT

**g) Public listing status**

If the issuer has a CUSIP number, provide below (first 6 digits only)

CUSIP number 

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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If the issuer is publicly listed, provide the name of the exchange on which the issuer's equity securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.

Exchange name

**h) Size of issuer's assets**

Select the size of the issuer's assets based on its most recently available annual financial statements (Canadian \$). If the issuer has not prepared annual financial statements for its first financial year, provide the size of the issuer's assets at the distribution end date.

<input type="checkbox"/> \$0 to under \$5M	<input type="checkbox"/> \$5M to under \$25M	<input type="checkbox"/> \$25M to under \$100M
<input type="checkbox"/> \$100M to under \$500M	<input type="checkbox"/> \$500M to under \$1B	<input type="checkbox"/> \$1B or over

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**ITEM 6 - INVESTMENT FUND ISSUER INFORMATION**

*If the issuer is an investment fund, provide the following information.*

**a) Investment fund manager information**

Full legal name

Firm NRD number

(if applicable)

*If the investment fund manager does not have a firm NRD number, provide the head office contact information of the investment fund manager.*

Street address

Municipality

Province/State

Country

Postal code/Zip code

Telephone number

Website (if applicable)

**b) Type of investment fund**

*Type of investment fund that most accurately identifies the issuer (select only one).*

☐ Money market☐ Equity☐ Fixed income☐ Balanced☐ Alternative strategies☐ Cryptoasset☐ Other (describe)

*Indicate whether one or both of the following apply to the investment fund.*

☐ Invests primarily in other investment fund issuers☐ Is a UCITS Fund\*

*\*Undertaking for the Collective Investment of Transferable Securities funds (UCITS Funds) are investment funds regulated by the European Union (EU) directives that allow collective investment schemes to operate throughout the EU on a passport basis on authorization from one member state.*

**c) Date of formation and financial year-end of the investment fund**

Date of formation

YYYY MM DD

Financial year-end

MM DD

**d) Reporting issuer status of the investment fund**

*Is the investment fund a reporting issuer in any jurisdiction of Canada?*

☐ No☐ Yes

*If yes, select the jurisdictions of Canada in which the investment fund is a reporting issuer.*

☐ All☐ AB☐ BC☐ MB☐ NB☐ NL☐ NT☐ NS☐ NU☐ ON☐ PE☐ QC☐ SK☐ YT**e) Public listing status of the investment fund**

*If the investment fund has a CUSIP number, provide below (first 6 digits only)*

CUSIP number

*If the investment fund is publicly listed, provide the name of the exchange on which the investment fund's securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.*

Exchange name

**f) Net asset value (NAV) of the investment fund**

*Select the NAV range of the investment fund as of the date of the most recent NAV calculation (Canadian \$).*

☐ \$0 to under \$5M☐ \$5M to under \$25M☐ \$25M to under \$100M☐ \$100M to under \$500M☐ \$500M to under \$1B☐ \$1B or over

Date of NAV calculation:

YYYY MM DD

**ITEM 7 - INFORMATION ABOUT THE DISTRIBUTION**

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include in Item 7 and Schedule 1 information about purchasers resident in that jurisdiction of Canada only. Do not include in Item 7 securities issued as payment of commissions or finder's fees in connection with the distribution, which must be disclosed in Item 8. The information provided in Item 7 must reconcile with the information provided in Schedule 1 of the report.

**a) Currency**

Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.

☒ Canadian dollar ☐ US dollar ☐ Euro ☐ Other (describe)

**b) Distribution date(s)**

State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.

Start date 

2021	01	27
YYYY	MM	DD

 End date 

2021	01	27
YYYY	MM	DD

**c) Detailed purchaser information**

**Complete Schedule 1 of this form for each purchaser and attach the schedule to the completed report.**

**d) Types of securities distributed**

Provide the following information for all distributions reported on a per security basis. Refer to Part A(12) of the Instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.

Security code	CUSIP number (if applicable)	Description of security	Number of securities	Canadian \$		
				Single or lowest price	Highest price	Total amount
U B S	14116K	One Unit comprised of one common share and one warrant; each warrant is exercisable into one common share at a price of \$0.75	14,670,000.00	0.2500	0.2500	3,667,500.00

**e) Details of rights and convertible/exchangeable securities**

If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeable securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.

Convertible / exchangeable security code	Underlying security code	Exercise price (Canadian \$)		Expiry date (YYYY-MM-DD)	Conversion ratio	Describe other items (if applicable)
		Lowest	Highest			
W N T	C M S	0.7500	0.7500	2026-01-27	1:1	

**f) Summary of the distribution by jurisdiction and exemption**

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only.

This table requires a separate line item for: (i) each jurisdiction where a purchaser resides, (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Exemption relied on	Number of unique <sup>9</sup> purchasers	Total amount (Canadian \$)
Alberta	NI 45-106 2.3 [Accredited investor]	1	10,000.00
British Columbia	NI 45-106 2.3 [Accredited investor]	25	1,010,000.00
British Columbia	NI 45-106 2.5 [Family, friends and business associates]	3	35,000.00
Québec	NI 45-106 2.3 [Accredited investor]	1	500,000.00
Ontario	NI 45-106 2.3 [Accredited investor]	17	972,500.00



Argentina	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	25,000.00
France	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	650,000.00
Switzerland	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	50,000.00
United Kingdom	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	82,500.00
United States	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	12	112,500.00
Virgin Islands, British	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	4	220,000.00
<b>Total dollar amount of securities distributed</b>			<b>3,667,500.00</b>
<b>Total number of unique purchasers<sup>1a</sup></b>		<b>69</b>	

<sup>1a</sup> In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.

<sup>1b</sup> In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

**g) Net proceeds to the investment fund by jurisdiction**

If the issuer is an investment fund, provide the net proceeds to the investment fund for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides.<sup>1</sup> If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include net proceeds for that jurisdiction of Canada only. For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Net proceeds (Canadian \$)
<b>Total net proceeds to the investment fund</b>	

<sup>1</sup> "Net proceeds" means the gross proceeds realized in the jurisdiction from the distributions for which the report is being filed, less the gross redemptions that occurred during the distribution period covered by the report.

**h) Offering materials - This section applies only in Saskatchewan, Ontario, Quebec, New Brunswick and Nova Scotia.**

If a distribution has occurred in Saskatchewan, Ontario, Quebec, New Brunswick or Nova Scotia, complete the table below by listing the offering materials that are required under the prospectus exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in those jurisdictions.

In Ontario, if the offering materials listed in the table are required to be filed with or delivered to the Ontario Securities Commission (OSC), attach an electronic version of the offering materials that have not been previously filed with or delivered to the OSC.

Description	Date of document or other material (YYYY-MM-DD)	Previously filed with or delivered to regulator? (Y/N)	Date previously filed or delivered (YYYY-MM-DD)

**ITEM 8 - COMPENSATION INFORMATION**

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. **Complete additional copies of this page if more than one person was, or will be, compensated.**

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

☒ No ☐ Yes

If yes, indicate number of persons compensated.

**a) Name of person compensated and registration status**

Indicate whether the person compensated is a registrant.

☐ No

☐ Yes

If the person compensated is an individual, provide the name of the individual.

Full legal name of individual

Family name

First given name

Secondary given names

If the person compensated is not an individual, provide the following information.

Full legal name of non-individual

Firm NRD number

(if applicable)

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.

☐ No

☐ Yes

**b) Business contact information**

If a firm NRD number is not provided in Item 8 (a), provide the business contact information of the person being compensated.

Street address

Municipality

Province/State

Country

Postal code/Zip code

Email address

Telephone number

**c) Relationship to issuer or investment fund manager**

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part 8(2) of the instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

☐ Connected with the issuer or investment fund manager

☐ Insider of the issuer (other than an investment fund)

☐ Director or officer of the investment fund or investment fund manager

☐ Employee of the issuer or investment fund manager

☐ None of the above

**d) Compensation details**

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

Cash commissions paid

Value of all securities distributed as compensation<sup>a</sup>

Security codes

Security code 1	Security code 2	Security code 3
<input type="text"/>	<input type="text"/>	<input type="text"/>

Describe terms of warrants, options or other rights

Other compensation<sup>b</sup>

Describe

Total compensation paid

☐ Check box if the person will or may receive any deferred compensation (describe the terms below)

<sup>a</sup>Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

<sup>b</sup>Do not include deferred compensation.



**ITEM 9 – DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER**

**If the issuer is an investment fund, do not complete Item 9. Proceed to Item 10.**

Indicate whether the issuer is any of the following (select the one that applies - if more than one applies, select only one).

- ☒ Reporting issuer in any jurisdiction of Canada
- ☐ Foreign public issuer
- ☐ Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada<sup>a</sup>

Provide name of reporting issuer

- ☐ Wholly owned subsidiary of a foreign public issuer<sup>a</sup>

Provide name of foreign public issuer

- ☐ Issuer distributing only eligible foreign securities and the distribution is to permitted clients only<sup>b</sup>

**If the issuer is at least one of the above, do not complete Item 9(a) – (c). Proceed to Item 10.**

<sup>a</sup>An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

<sup>b</sup>Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part B(1) of the Instructions.

- ☐ If the issuer is none of the above, check this box and complete Item 9(a) – (c).

**a) Directors, executive officers and promoters of the issuer**

Provide the following information for each director, executive officer and promoter of the issuer. For locations within Canada, state the province or territory; otherwise state the country. For "Relationship to issuer", "D" – Director, "O" – Executive Officer, "P" – Promoter.

Organization or company name	Family name	First given name	Secondary given names	Business location of non-individual or residential jurisdiction of individual	Relationship to issuer (select all that apply)		
				Province or country	D	O	P

**b) Promoter information**

If the promoter listed above is not an individual, provide the following information for each director and executive officer of the promoter. For locations within Canada, state the province or territory; otherwise state the country. For "Relationship to promoter", "D" – Director, "O" – Executive Officer.

Organization or company name	Family name	First given name	Secondary given names	Residential jurisdiction of individual	Relationship to promoter (select one or both if applicable)	
				Province or country	D	O

**c) Residential address of each individual**

Complete Schedule 2 of this form providing the full residential address for each individual listed in Item 9(a) and (b) and attach to the completed report. Schedule 2 also requires information to be provided about control persons.

## ITEM 10 - CERTIFICATION

Provide the following certification and business contact information of an officer, director or agent of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may be delegated, but only to an agent that has been authorized by an officer or director of the issuer or underwriter to prepare and certify the report on behalf of the issuer or underwriter. If the report is being certified by an agent on behalf of the issuer or underwriter, provide the applicable information for the agent in the boxes below.

If the individual completing and filing the report is different from the individual certifying the report, provide the name and contact details for the individual completing and filing the report in Item 11.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

Securities legislation requires an issuer or underwriter that makes a distribution of securities under certain prospectus exemptions to file a completed report of exempt distribution.

By completing the information below, I certify, on behalf of the issuer/underwriter/investment fund manager, to the securities regulatory authority or regulator, as applicable, that I have reviewed this report and to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.

Name of issuer/underwriter/ investment fund manager/agent	Carbon Streaming Corporation		
Full legal name	Keams	Conor	
	Family name	First given name	Secondary given names
Title	Chief Financial Officer		
Telephone number	4167865658	Email address	conor@carbonstreaming.com
Signature	"Conor Keams"		Date
			2021 02 01
			YYYY MM DD

## ITEM 11- CONTACT PERSON

Provide the following business contact information for the individual that the securities regulatory authority or regulator may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 10.

☐ Same as individual certifying the report

Full legal name	Larsson	Colette		Title	Securities Paralegal
	Family name	First given name	Secondary given names		
Name of company	Owen Bird Law Corporation				
Telephone number	6046975606	Email address	clarsson@owenbird.com		

Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the local jurisdiction(s) where the report is filed, at the address(es) listed at the end of this form.

The attached Schedules 1 and 2 may contain personal information of individuals and details of the distribution(s). The information in Schedules 1 and 2 will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

By signing this report, the issuer/underwriter confirms that each individual listed in Schedule 1 or 2 of the report who is resident in a jurisdiction of Canada:

- a) has been notified by the issuer/underwriter of the delivery to the securities regulatory authority or regulator of the information pertaining to the individual as set out in Schedules 1 or 2, that this information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and of the title, business address and business telephone number of the public official in the local jurisdiction, as set out in this form, who can answer questions about the securities regulatory authority's or regulator's indirect collection of the information; and
- b) has authorized the indirect collection of the information by the securities regulatory authority or regulator.

Form 45-106F1 Report of Exempt Distribution

BCSC EDER Reference Number 9332865

ITEM 1 - REPORT TYPE				
<input checked="" type="checkbox"/> New report				
<input type="checkbox"/> Amended report    If amended, provide filing date of report that is being amended <table><tr><td></td><td></td><td></td></tr></table> (YYYY-MM-DD)				

ITEM 2 - PARTY CERTIFYING THE REPORT	
<i>Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 Investment Fund Continuous Disclosure and the companion policy to NI 81-106.</i>	
<input type="checkbox"/> Investment fund issuer	
<input checked="" type="checkbox"/> Issuer (other than an investment fund)	
<input type="checkbox"/> Underwriter	

ITEM 3 - ISSUER NAME AND OTHER IDENTIFIERS		
<i>Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.</i>		
Full legal name	Carbon Streaming Corporation	
Previous full legal name	Mexivada Mining Corp.	
<i>If the issuer's name changed in the last 12 months, provide most recent previous legal name.</i>		
Website	<table><tr><td></td></tr></table> (if applicable)	
<i>If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".</i>		
Legal entity identifier	<table><tr><td></td></tr></table>	
<i>If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.</i>		
Full legal name(s) of co-issuer(s)	<table><tr><td></td></tr></table> (if applicable)	

ITEM 4 - UNDERWRITER INFORMATION								
<i>If an underwriter is completing the report, provide the underwriter's full legal name and firm NRD number.</i>								
Full legal name	<table><tr><td></td></tr></table>							
Firm NRD number	<table><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> (if applicable)							
<i>If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.</i>								
Street address	<table><tr><td></td></tr></table>							
Municipality	<table><tr><td></td></tr></table>							
Country	<table><tr><td></td></tr></table>							
Telephone number	<table><tr><td></td></tr></table>							
Province/State	<table><tr><td></td></tr></table>							
Postal code/Zip code	<table><tr><td></td></tr></table>							
Website	<table><tr><td></td></tr></table> (if applicable)							

Form 45-106F1 Report of Exempt Distribution

BCSC EDER Reference Number 9332865

ITEM 1 - REPORT TYPE	
<input checked="" type="checkbox"/> New report	
<input type="checkbox"/> Amended report	If amended, provide filing date of report that is being amended <input type="text"/> <input type="text"/> <input type="text"/> (YYYY-MM-DD)

ITEM 2 - PARTY CERTIFYING THE REPORT	
<i>Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 Investment Fund Continuous Disclosure and the companion policy to NI 81-106.</i>	
<input type="checkbox"/> Investment fund issuer	
<input checked="" type="checkbox"/> Issuer (other than an investment fund)	
<input type="checkbox"/> Underwriter	

ITEM 3 - ISSUER NAME AND OTHER IDENTIFIERS	
<i>Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.</i>	
Full legal name	Carbon Streaming Corporation
Previous full legal name	Mexivada Mining Corp.
<i>If the issuer's name changed in the last 12 months, provide most recent previous legal name.</i>	
Website	<input type="text"/> (if applicable)
<i>If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".</i>	
Legal entity identifier	<input type="text"/>
<i>If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.</i>	
Full legal name(s) of co-issuer(s)	<input type="text"/> (if applicable)

ITEM 4 - UNDERWRITER INFORMATION	
<i>If an underwriter is completing the report, provide the underwriter's full legal name and firm NRD number.</i>	
Full legal name	<input type="text"/>
Firm NRD number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> (if applicable)
<i>If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.</i>	
Street address	<input type="text"/>
Municipality	<input type="text"/>
Country	<input type="text"/>
Telephone number	<input type="text"/>
Province/State	<input type="text"/>
Postal code/Zip code	<input type="text"/>
Website	<input type="text"/> (if applicable)



**ITEM 5 - ISSUER INFORMATION**

**If the issuer is an investment fund, do not complete Item 5. Proceed to Item 6.**

**a) Primary industry**

Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that in your reasonable judgment most closely corresponds to the issuer's primary business activity.

NAICS industry code

If the issuer is in the **mining industry**, indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.

☐ Exploration ☐ Development ☐ Production

Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply.

☐ Mortgages ☐ Real estate ☐ Commercial/business debt ☐ Consumer debt ☐ Private companies  
☐ Cryptoassets

**b) Number of employees**

Number of employees: ☒ 0 - 49 ☐ 50 - 99 ☐ 100 - 499 ☐ 500 or more

**c) SEDAR profile number**

Does the issuer have a SEDAR profile?

☐ No ☒ Yes If yes, provide SEDAR profile number

**If the issuer does not have SEDAR profile complete item 5(d) - (h).**

**d) Head office address**

Street address	<input type="text"/>	Province/State	<input type="text"/>
Municipality	<input type="text"/>	Postal code/Zip code	<input type="text"/>
Country	<input type="text"/>	Telephone number	<input type="text"/>

**e) Date of formation and financial year-end**

Date of formation  Financial year-end   
YYYY MM DD MM DD

**f) Reporting issuer status**

Is the issuer a reporting issuer in any jurisdiction of Canada? ☐ No ☐ Yes

If yes, select the jurisdictions of Canada in which the issuer is a reporting issuer.

☐ AT ☐ AB ☐ BC ☐ MB ☐ NB ☐ NL ☐ NT  
☐ NS ☐ NU ☐ ON ☐ PE ☐ QC ☐ SK ☐ YT

**g) Public listing status**

If the issuer has a CUSIP number, provide below (first 6 digits only)

CUSIP number

If the issuer is publicly listed, provide the name of the exchange on which the issuer's equity securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.

Exchange name

**h) Size of issuer's assets**

Select the size of the issuer's assets based on its most recently available annual financial statements (Canadian \$). If the issuer has not prepared annual financial statements for its first financial year, provide the size of the issuer's assets at the distribution end date.

**ITEM 6 - INVESTMENT FUND ISSUER INFORMATION**

*If the issuer is an investment fund, provide the following information.*

**a) Investment fund manager information**

Full legal name

Firm NRD number

(if applicable)

*If the investment fund manager does not have a firm NRD number, provide the head office contact information of the investment fund manager.*

Street address

Municipality

Province/State

Country

Postal code/Zip code

Telephone number

Website (if applicable)

**b) Type of investment fund**

*Type of investment fund that most accurately identifies the issuer (select only one).*

☐ Money market☐ Equity☐ Fixed income☐ Balanced☐ Alternative strategies☐ Cryptoasset☐ Other (describe)

*Indicate whether one or both of the following apply to the investment fund.*

☐ Invests primarily in other investment fund issuers☐ Is a UCITS Fund<sup>1</sup>

<sup>1</sup>Undertaking for the Collective Investment of Transferable Securities funds (UCITS Funds) are investment funds regulated by the European Union (EU) directives that allow collective investment schemes to operate throughout the EU on a passport basis on authorization from one member state.

**c) Date of formation and financial year-end of the investment fund**

Date of formation

YYYY

MM

DD

Financial year-end

MM

DD

**d) Reporting issuer status of the investment fund**

*Is the investment fund a reporting issuer in any jurisdiction of Canada?*

☐ No☐ Yes

*If yes, select the jurisdictions of Canada in which the investment fund is a reporting issuer:*

☐ All☐ AB☐ BC☐ MB☐ NB☐ NL☐ NT☐ NS☐ NU☐ ON☐ PE☐ QC☐ SK☐ YT**e) Public listing status of the investment fund**

*If the investment fund has a CUSIP number, provide below (first 6 digits only)*

CUSIP number

*If the investment fund is publicly listed, provide the name of the exchange on which the investment fund's securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.*

Exchange name

**f) Net asset value (NAV) of the investment fund**

*Select the NAV range of the investment fund as of the date of the most recent NAV calculation (Canadian \$).*

☐ \$0 to under \$5M☐ \$5M to under \$25M☐ \$25M to under \$100M☐ \$100M to under \$500M☐ \$500M to under \$1B☐ \$1B or over

Date of NAV calculation:

YYYY

MM

DD

ITEM 7 - INFORMATION ABOUT THE DISTRIBUTION

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include in Item 7 and Schedule 1 information about purchasers resident in that jurisdiction of Canada only. Do not include in Item 7 securities issued as payment of commissions or finder's fees in connection with the distribution, which must be disclosed in Item 8. The information provided in Item 7 must reconcile with the information provided in Schedule 1 of the report.

a) Currency

Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.

☒ Canadian dollar

☐ US dollar

☐ Euro

☐ Other (describe)

b) Distribution date(s)

State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.

Start date

2020

12

16

YYYYMMDD

End date

2020

12

22

YYYYMMDD

c) Detailed purchaser information

Complete Schedule 1 of this form for each purchaser and attach the schedule to the completed report.

d) Types of securities distributed

Provide the following information for all distributions reported on a per security basis. Refer to Part A(12) of the instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.

					Canadian \$			
Security code			CUSIP number (if applicable)	Description of security	Number of securities	Single or lowest price	Highest price	Total amount
U	B	S	14116K	One Unit comprised of one common share and one warrant; each warrant is exercisable into one common share at a price of \$0.125	1,400,000.00	0.0500	0.0500	70,000.00
U	B	S	14116K	One Unit comprised of one common share and one warrant; each warrant is exercisable into one common share at a price of \$0.125	3,450,000.00	0.0500	0.0500	172,500.00

e) Details of rights and convertible/exchangeable securities

If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeable securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.

Convertible / exchangeable security code			Underlying security code			Exercise price (Canadian \$)		Expiry date (YYYY-MM-DD)	Conversion ratio	Describe other terms (if applicable)
						Lowest	Highest			
W	N	T	C	M	S	0.1250	0.1250	2025-12-16	1:1	
W	N	T	C	M	S	0.1250	0.1250	2025-12-22	1:1	

f) Summary of the distribution by jurisdiction and exemption

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only.

This table requires a separate line item for: (i) each jurisdiction where a purchaser resides, (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Exemption relied on	Number of unique* purchasers	Total amount (Canadian \$)
British Columbia	NI 45-106 2.3 [Accredited investor]	11	130,000.00
Ontario	NI 45-106 2.3 [Accredited investor]	3	81,500.00



Manitoba	NI 45-106 2.3 [Accredited investor]	1	6,000.00
United States	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	10,000.00
Argentina	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	1	5,000.00
France	Distributions to purchasers outside of local jurisdiction (BC, AB, NB)	2	10,000.00
Total dollar amount of securities distributed			242,500.00
Total number of unique purchasers <sup>2,3</sup>			20

<sup>1a</sup> In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.

<sup>2b</sup> In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

**g) Net proceeds to the investment fund by jurisdiction**

If the issuer is an investment fund, provide the net proceeds to the investment fund for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides.<sup>4</sup> If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include net proceeds for that jurisdiction of Canada only. For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Net proceeds (Canadian \$)
<b>Total net proceeds to the investment fund</b>	

<sup>4</sup> "Net proceeds" means the gross proceeds realized in the jurisdiction from the distributions for which the report is being filed, less the gross redemptions that occurred during the distribution period covered by the report.

**h) Offering materials - This section applies only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.**

If a distribution has occurred in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, complete the table below by listing the offering materials that are required under the prospectus exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in those jurisdictions.

In Ontario, if the offering materials listed in the table are required to be filed with or delivered to the Ontario Securities Commission (OSC), attach an electronic version of the offering materials that have not been previously filed with or delivered to the OSC.

Description	Date of document or other material (YYYY-MM-DD)	Previously filed with or delivered to regulator? (Y/N)	Date previously filed or delivered (YYYY-MM-DD)

ITEM 8 - COMPENSATION INFORMATION

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. **Complete additional copies of this page if more than one person was, or will be, compensated.**

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

☒ No ☐ Yes If yes, indicate number of persons compensated.

a) Name of person compensated and registration status

Indicate whether the person compensated is a registrant. ☐ No ☐ Yes

If the person compensated is an individual, provide the name of the individual.

Full legal name of individual 

Family name	First given name	Secondary given names

If the person compensated is not an individual, provide the following information.

Full legal name of non-individual

Firm NRD number 

--	--	--	--	--	--	--	--

 (if applicable)

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal. ☐ No ☐ Yes

b) Business contact information

If a firm NRD number is not provided in Item 8 (a), provide the business contact information of the person being compensated.

Street address			
Municipality		Province/State	
Country		Postal code/Zip code	
Email address		Telephone number	

c) Relationship to issuer or investment fund manager

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B(2) of the instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

- |  |  |
|--|--|
| <input type="checkbox"/> Connected with the issuer or investment fund manager                  | <input type="checkbox"/> Insider of the issuer (other than an investment fund) |
| <input type="checkbox"/> Director or officer of the investment fund or investment fund manager | <input type="checkbox"/> Employee of the issuer or investment fund manager     |
| <input type="checkbox"/> None of the above   |  |

d) Compensation details

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

Cash commissions paid	<input style="width: 100%;" type="text"/>		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><th style="font-size: 8px;">Security code 1</th><th style="font-size: 8px;">Security code 2</th><th style="font-size: 8px;">Security code 3</th></tr><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>	Security code 1	Security code 2	Security code 3					
Security code 1	Security code 2	Security code 3									
Value of all securities distributed as compensation <sup>1</sup>	<input style="width: 100%;" type="text"/>	Security codes	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>								
Describe terms of warrants, options or other rights <input style="width: 300px;" type="text"/>											
Other compensation <sup>2</sup>	<input style="width: 100%;" type="text"/>	Describe	<input style="width: 300px;" type="text"/>								
Total compensation paid	<input style="width: 100%;" type="text"/>										

☐ Check box if the person will or may receive any deferred compensation (describe the terms below)

<sup>1</sup>Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

<sup>2</sup>Do not include deferred compensation.

ITEM 9 – DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER

If the issuer is an investment fund, do not complete Item 9. Proceed to Item 10.

Indicate whether the issuer is any of the following (select the one that applies - if more than one applies, select only one).

- ☒ Reporting issuer in any jurisdiction of Canada
- ☐ Foreign public issuer
- ☐ Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada<sup>1</sup>
- Provide name of reporting issuer:
- ☐ Wholly owned subsidiary of a foreign public issuer<sup>2</sup>
- Provide name of foreign public issuer:
- ☐ Issuer distributing only eligible foreign securities and the distribution is to permitted clients only<sup>3</sup>

If the issuer is at least one of the above, do not complete Item 9(a) – (c). Proceed to Item 10.

<sup>1</sup>An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

<sup>2</sup>Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part B(1) of the Instructions.

- ☐ If the issuer is none of the above, check this box and complete Item 9(a) – (c).

a) Directors, executive officers and promoters of the issuer

Provide the following information for each director, executive officer and promoter of the issuer. For locations within Canada, state the province or territory; otherwise state the country. For "Relationship to issuer", "D" – Director, "O" – Executive Officer, "P" – Promoter.

Organization or company name	Family name	First given name	Secondary given names	Business location of non-individual or residential jurisdiction of individual	Relationship to issuer (select all that apply)		
				Province or country	D	O	P

b) Promoter information

If the promoter listed above is not an individual, provide the following information for each director and executive officer of the promoter. For locations within Canada, state the province or territory; otherwise state the country. For "Relationship to promoter", "D" – Director, "O" – Executive Officer.

Organization or company name	Family name	First given name	Secondary given names	Residential jurisdiction of individual	Relationship to promoter (select one or both if applicable)	
				Province or country	D	O

c) Residential address of each individual

Complete Schedule 2 of this form providing the full residential address for each individual listed in Item 9(a) and (b) and attach to the completed report. Schedule 2 also requires information to be provided about control persons.

#### ITEM 10 - CERTIFICATION

Provide the following certification and business contact information of an officer, director or agent of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may be delegated, but only to an agent that has been authorized by an officer or director of the issuer or underwriter to prepare and certify the report on behalf of the issuer or underwriter. If the report is being certified by an agent on behalf of the issuer or underwriter, provide the applicable information for the agent in the boxes below.

If the individual completing and filing the report is different from the individual certifying the report, provide the name and contact details for the individual completing and filing the report in Item 11.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

Securities legislation requires an issuer or underwriter that makes a distribution of securities under certain prospectus exemptions to file a completed report of exempt distribution.

By completing the information below, I certify, on behalf of the issuer/underwriter/investment fund manager, to the securities regulatory authority or regulator, as applicable, that I have reviewed this report and to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.

Name of issuer/underwriter/ investment fund manager/agent	Carbon Streaming Corporation		
Full legal name	Gelmon	Mark	
	Family name	First given name	Secondary given names
Title	Chief Financial Officer		
Telephone number	6046846264	Email address	mgelmon@iocorporate.com
Signature	"Mark Gelmon"	Date	2020 12 22
		YYYY	MM DD

#### ITEM 11- CONTACT PERSON

Provide the following business contact information for the individual that the securities regulatory authority or regulator may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 10.

☐ Same as individual certifying the report

Full legal name	Larsson	Colette		Title	Securities Paralegal
	Family name	First given name	Secondary given names		
Name of company	Owen Bird Law Corporation				
Telephone number	6046975606	Email address	clarsson@owenbird.com		

#### Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the local jurisdiction(s) where the report is filed, at the address(es) listed at the end of this form.

The attached Schedules 1 and 2 may contain personal information of individuals and details of the distribution(s). The information in Schedules 1 and 2 will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

By signing this report, the issuer/underwriter confirms that each individual listed in Schedule 1 or 2 of the report who is resident in a jurisdiction of Canada:

- a) has been notified by the issuer/underwriter of the delivery to the securities regulatory authority or regulator of the information pertaining to the individual as set out in Schedules 1 or 2, that this information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and of the title, business address and business telephone number of the public official in the local jurisdiction, as set out in this form, who can answer questions about the securities regulatory authority's or regulator's indirect collection of the information, and
- b) has authorized the indirect collection of the information by the securities regulatory authority or regulator.

Form 52-109FV2

Certification of Interim Filings  
Venture Issuer Basic Certificate

I, **Colin Watt**, designated Chief Executive Officer of Carbon Streaming Corporation (formerly Mexivada Mining Corp.), certify the following:

- 1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Carbon Streaming Corporation (the “issuer”) for the interim period ended September 30, 2020.
- 2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
- 3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: November 26, 2020

“Colin Watt”  
\_\_\_\_\_  
Colin Watt,  
Designated Chief Executive Officer

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52- 109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Form 52-109FV2

Certification of Interim Filings  
Venture Issuer Basic Certificate

I, **Mark Gelmon, Chief Financial Officer of Carbon Streaming Corporation (formerly Mexivada Mining Corp.)**, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Carbon Streaming Corporation (the “issuer”) for the interim period ended September 30, 2020.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: November 26, 2020

“Mark Gelmon”

Mark Gelmon,  
Chief Financial Officer

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52- 109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**CARBON STREAMING CORPORATION**  
(formerly Mexivada Mining Corp.)

**Condensed Consolidated Interim Financial**

**Statements September 30, 2020 and 2019**

**Expressed in Canadian Dollars**

**(Unaudited)**

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These unaudited condensed consolidated interim financial statements of Carbon Streaming Corporation for the three months ended September 30, 2020 and 2019 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company’s external auditors.

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Carbon Streaming Corporation (formerly Mexivada Mining Corp.)  
Condensed consolidated interim statements of financial position  
(Expressed in Canadian dollars)  
(Unaudited)

	<u>Notes</u>	<u>September 30, 2020</u>	<u>June 30, 2020</u> <i>(Audited)</i>
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 343,676	\$ 310,202
Receivables		2,934	2,934
		<u>\$ 346,610</u>	<u>\$ 313,136</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	4, 6	\$ 141,409	\$ 131,815
Subscriptions received	9	<u>50,000</u>	<u>-</u>
		<u>191,409</u>	<u>131,815</u>
<b>Shareholders' equity (deficiency)</b>			
Share capital	5	14,551,527	14,551,527
Share-based payment reserve	5	1,885,388	1,885,388
Deficit	-	<u>(16,281,714)</u>	<u>(16,255,594)</u>
		<u>155,201</u>	<u>181,321</u>
		<u>\$ 346,610</u>	<u>\$ 313,136</u>
	=		

Nature and continuance of operations (Note 1)  
Subsequent event (Note 9)

On behalf of the Board:

<u>“Edgar Froese”</u>	Director	<u>“Colin Watt”</u>	Director
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The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Carbon Streaming Corporation (formerly Mexivada Mining Corp.)  
Condensed consolidated interim statements of loss and comprehensive loss  
(Expressed in Canadian dollars)  
(Unaudited)

		Three Months Ended September 30, 2020	Three Months Ended September 30, 2019
	Notes		
<b>EXPENSES</b>			
Foreign exchange loss		\$ -	\$ 2,145
Office and general		2,397	-
Professional fees	6	16,120	7,500
Transfer agent and filing fees		7,603	-
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		\$ (26,120)	\$ (9,645)
<b>Loss per common share – basic and diluted</b>		\$ (0.00)	\$ (0.01)
<b>Weighted average number of common shares outstanding – basic and diluted</b>		14,975,636	695,636

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Carbon Streaming Corporation (formerly Mexivada Mining Corp.)  
Condensed consolidated interim statements of changes in shareholders' equity (deficiency)  
(Expressed in Canadian dollars)  
(Unaudited)

	Number of shares	Amount	Share-based payment reserve	Deficit	Total
Balance at June 30, 2019	695,636	\$13,846,500	\$ 1,885,388	\$(16,146,840)	\$ (414,952)
Comprehensive loss:					
Loss for the period	-	-	-	(9,645)	(9,645)
Balance at September 30, 2019	695,636	13,846,500	1,885,388	(16,156,485)	(424,597)
Shares issued for cash	14,280,000	714,000	-	-	714,000
Share issuance costs	-	(8,973)	-	-	(8,973)
Comprehensive loss:					
Loss for the period	-	-	-	(99,109)	(99,109)
Balance at June 30, 2020	14,975,636	\$14,551,527	\$ 1,885,388	\$(16,255,594)	\$ 181,321
Comprehensive loss:					
Loss for the period	-	-	-	(26,120)	(26,120)
Balance at September 30, 2020	<u>14,975,636</u>	<u>\$14,551,527</u>	<u>\$ 1,885,388</u>	<u>\$(16,281,714)</u>	<u>\$ 155,201</u>

On June 15, 2020, the Company completed a 100-old for 1-new share consolidation and a name change to Carbon Streaming Corporation. All common shares, warrants, options, per share amounts and weighted average number of shares outstanding have been retroactively restated to reflect this share consolidation.

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Carbon Streaming Corporation (formerly Mexivada Mining Corp.)  
Condensed consolidated interim statements of cash flows  
(Expressed in Canadian dollars)  
(Unaudited)

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019
<b>Operating activities</b>		
Loss for the period	\$ (26,120)	\$ (9,645)
Items not effecting cash:		
Foreign exchange	-	2,145
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	9,594	7,500
<b>Net cash (used) in operating activities</b>	<b>(16,526)</b>	<b>-</b>
<b>Financing activity</b>		
Subscriptions received	50,000	-
<b>Net cash from financing activity</b>	<b>50,000</b>	<b>-</b>
Change in cash	33,474	-
Cash, beginning of period	310,202	-
<b>Cash, end of period</b>	<b>\$ 343,676</b>	<b>\$ -</b>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

**1. Nature and continuance of operations**

Carbon Streaming Corporation (formerly Mexivada Mining Corp.) (the “Company”) was incorporated on September 13, 2004 under the Business Corporations Act (British Columbia) and its principal activity has been the exploration of mineral properties. The Company’s shares previously traded on the TSX Venture Exchange (“TSX-V”) under the symbol “MNV”. Pursuant to three cease trade orders (issued by the British Columbia Securities Commission on November 20, 2012, the Ontario Securities Commission on December 3, 2012, and the Alberta Securities Commission on March 5, 2013) the Company’s shares were cease-traded and halted from trading on the TSX-V. On May 9, 2017, the Company’s shares were delisted from trading on the TSX-V for failing to pay outstanding sustaining fees. In February 2020, the Company was successful in obtaining full revocation orders to all three cease trade orders. The Company’s shares are not presently listed for trading on any stock exchange.

The head office, principal address and records office of the Company are located at 300 – 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9. The Company’s registered address is Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J5.

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These unaudited condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at September 30, 2020, the Company has not yet achieved profitable operations, has a working capital position (deficiency) of \$155,201 (June 30, 2020 – \$181,321), has a deficit of \$16,281,714 (June 30, 2020 - \$16,255,594) and is not able to finance day to day activities through operations. There is a material uncertainty related to the foregoing events and conditions that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s continuation as a going concern is dependent upon the successful results from its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management believes it will be able to raise sufficient funds to finance operating costs over the next twelve months with equity placement, subject to regulatory approval and reactivation of the Company, or advances from directors.

These unaudited condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

## **2. Significant accounting policies and basis of preparation**

### **Statement of compliance:**

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 26, 2020.

### **Basis of preparation**

These unaudited condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable for financial instruments measured at fair value. These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

### **Basis of consolidation**

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, 1253661 B.C. Ltd., which was acquired on June 17, 2020 in conjunction with a three-cornered amalgamation (the “Transaction”).

The three-cornered amalgamation was executed between a then existing subsidiary of the Company, 1247374 B.C. Ltd. (“Subco”), and a third company 1247372 B.C. Ltd (“Fundco”). At the time of the Transaction, neither Subco nor Fundco met the definition of a business under IFRS 3, *Business Combinations*. Prior to the Transaction, Fundco had advanced loans to the Company. The Transaction was recognized as a transaction with owners whereby the Company received cash of \$714,000, less issuance costs, and issued 14,280,000 common shares to the former shareholders of Fundco. Subco and Fundco amalgamated as part of the Transaction and continued as 1253661 B.C. Ltd., with the former shareholders of Fundco holding approximately 95% of the common shares of the Company.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

### **Significant accounting judgments and estimates**

The preparation of these unaudited condensed consolidated interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the periods of change, if the change affects that period only, or in the period of the change of future periods, if the change affects both.

**2. Significant accounting policies and basis of preparation (continued)**

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in the Company’s consolidated financial statements include:

*Going Concern*

The determination of the Company’s ability to continue as a going concern requires significant judgment. Material adjustments to the Company’s assets and liabilities could be required if the going concern assumption was not appropriate.

**3. Accounting standards, amendments and interpretations issued**

The following accounting standard was adopted July 1, 2019:

IFRS 16, Leases: This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has considered the impact of this change and has determined that, since the Company currently has no leases, the new standard did not have any impact on the Company’s consolidated financial statements.

**4. Accounts payable and accrued liabilities**

	September 30, 2020	June 30, 2020
Accounts payable	\$ 90,451	\$ 83,943
Accrued liabilities	50,958	47,872
	<u>\$ 141,409</u>	<u>\$ 131,815</u>



**5. Share capital**

***Authorized share capital***

Unlimited number of voting common shares without par value and unlimited number of preferred shares without par value.

***Issued share capital***

On June 15, 2020, the Company completed a 100-old for 1-new share consolidation and a name change. All common shares, warrants, options, loss per share and weighted average number of shares outstanding have been retroactively restated to reflect this share consolidation.

At September 30, 2020, there were 14,975,636 issued and fully paid common shares (June 30, 2020 – 14,975,636).

During June 2020, the Company issued 14,280,000 units, in conjunction with a three-cornered amalgamation (note 2), for gross proceeds of \$714,000. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.125 until April 22, 2025. The Company incurred issuance costs totalling \$8,973 in conjunction with this transaction.

***Stock options***

The Company has a stock option plan where the directors are authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company.

There were no stock options outstanding as at September 30, 2020 or June 30, 2020.

***Warrants***

There were share purchase warrants outstanding as at September 30, 2020 and June 30, 2020 enabling the holders to acquire up to 14,280,000 common shares of the Company at a price of \$0.125 per share, expiring April 22, 2025.

***Reserves***

***Share-based payment reserve***

The share-based payment reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

**6. Related party transactions**

***Related party balances***

During the three months ended September 30, 2020, the Company paid or accrued professional fees of \$2,500 (2019 - \$2,500) to the CFO of the Company and at September 30, 2020, there was \$10,000 included in accounts payable owing to the Company's CFO.

***Key management personnel compensation***

The Company's related parties include key management personnel. Key management personnel includes executive officers and members of the Company's Board of Directors.

**7. Financial instrument fair value and risk factors**

***Fair value***

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash, accounts payable and accrued liabilities and amounts due to related parties. The carrying value of these financial instruments approximates their fair value. Cash is measured based on Level 1 input of the fair value hierarchy.

The following is an analysis of the Company's financial assets measured at fair value as at September 30, 2020 and June 30, 2020:

	As at September 30, 2020		
	Level 1	Level 2	Level 3
Cash	\$ 343,676	\$ -	\$ -

	As at June 30, 2020		
	Level 1	Level 2	Level 3
Cash	\$ 310,202	\$ -	\$ -

***Risk factors***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**7. Financial instrument fair value and risk factors (continued)**

*Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is held in trust with the Company's legal counsel. Credit risk has been assessed as low.

*Currency Risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures, and owed related parties balances, that are denominated in United States dollars while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's cash is usually held in Canadian dollars. As the Company has limited number of transactions in foreign currencies, currency risk has been assessed as low.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company was exposed to interest rate risk on its bank account until the time it was closed. The income earned on the bank account was subject to the movements in interest rates. The Company has no-interest bearing debt. Therefore, interest rate risk has been assessed as nominal.

*Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions, liquidity risk has been assessed as high.

**8. Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of \$155,201 at September 30, 2020 (June 30, 2020 - \$181,321).

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

**9. Subsequent event**

Subsequent to September 30, 2020, the Company has initiated a non-brokered private placement for up to 8,000,000 special warrants in the capital of the Company at \$0.75 per special warrant, of which \$50,000 has been received as at September 30, 2020. Each special warrant will entitle the holder to receive, for no additional consideration, one common share of the Company upon the Company obtaining conditional listing on a stock exchange in Canada.

**CARBON STREAMING CORPORATION**  
(FORMERLY MEXIVADA MINING CORP.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

This management's discussion and analysis ("MD&A") reviews the significant activities of Carbon Streaming Corporation (formerly Mexivada Mining Corp.) ("CSC" or the "Company") and analyzes the financial results for the three months ended September 30, 2020. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended September 30, 2020 of the Company with the related notes thereto, and the Company's audited annual consolidated financial statements for the year ended June 30, 2020 and the related notes thereto, which are available for viewing on [www.sedar.com](http://www.sedar.com).

All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is November 26, 2020.

Management is responsible for the preparation and integrity of the Company's unaudited condensed consolidated interim financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's financial statements and MD&A, is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Although such information is considered to be accurate, actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

**Overview**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 13, 2004 under the name "Mexivada Mining Corp.", and commenced operations on November 18, 2004. The Company has historically focused on the acquisition of precious and rare high tech metal exploration properties in Mexico, the state of Nevada in the United States, and in the province of Ontario in Canada.

Until recently, the Company had been subject to the following cease trade orders ("CTO"s) with respect to the Company's failure to file its annual financial statements for the fiscal year ended June 30, 2012, and corresponding MD&A:

1. CTO issued by the British Columbia Securities Commission on November 19, 2012;
2. CTO issued by the Ontario Securities Commission (OSC) on December 3, 2012; and
3. CTO issued by the Alberta Securities Commission (ASC) on March 5, 2013.

During the year ended June 30, 2020, the Company made application to have the CTOs revoked; and in February 2020, the Company was successful in obtaining full revocation orders to all three CTOs.

The Company's shares previously traded on the TSX Venture Exchange ("TSX-V") under the symbol "MNV". Upon the first CTO being issued, the Company's shares were halted from trading and, on May 9, 2017, the Company's shares were delisted from trading on the TSX-V for failing to pay outstanding sustaining fees. The Company's shares are not presently listed for trading on any stock exchange.

The Company has no mineral property interests and no active operations; and, as such, it does not generate any operating income or cash flow. The Company will need to raise capital to settle its outstanding liabilities, for general and administrative expenses, and to seek new business opportunities. However, until recently, with the CTOs in place, there was no opportunity to raise any capital. Even with the CTOs having been rescinded, there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

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### **Corporate Restructuring**

On May 21, 2020, at the Company's annual general meeting of shareholders, three new directors were appointed, to expand the Company's board to four members. On June 15, 2020, the Company completed a 100-old for 1-new share consolidation and a name change to Carbon Streaming Corporation. All common shares, warrants, options, loss per share and weighted average number of shares outstanding have been retroactively restated to reflect this share consolidation.

During the current period Richard Redfern resigned from the Company's board of directors and as CEO.

The Company intends to become an investment company, focused on the regulated and voluntary carbon offset and sequestration sectors. However, to date, the Company remains in the process of investigating opportunities in these sectors and has not entered into any transactions. The Company has commenced a special warrant financing, with the objective of raising up to \$6,000,000, for use in making at least two investments or acquisitions. However, there is no assurance that it will be successful in completing the financing or finding any investments.

### **Amalgamation**

During June 2020, the Company issued 14,280,000 units (post-consolidation), in conjunction with a three-cornered amalgamation, at the deemed price of \$0.05 per unit (\$714,000). Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.125 until April 22, 2025. The Company incurred issuance costs totalling \$8,973 in conjunction with this transaction.

### **Results of Operations**

*Three months ended September 30, 2020*

During the three months ended September 30, 2020 (the "current period"), the Company incurred a loss and comprehensive loss of \$26,120 compared to a loss of \$9,645 for the three months ended September 30, 2019 (the "comparative period").

During the current period, the Company incurred professional fees of \$16,120 as compared to \$7,500 incurred during the comparative period. This increase reflects costs incurred by the Company toward preparing and filing outstanding financial statements, and legal fees relating to post-amalgamation and corporate matters. The Company also recognized a foreign exchange loss of \$2,145 during the comparative period on USD-denominated liabilities compared to \$Nil during the current period. In addition, during the current period, the Company incurred transfer agent and filings fees of \$7,603 (2019 - \$Nil) relating to past and current costs associated with share transactions.

### **Summary of Quarterly Results**

	<i>Three Months Ended Sept 30, 2020</i>	<i>Three Months Ended June 30, 2020</i>	<i>Three Months Ended Mar 31, 2020</i>	<i>Three Months Ended Dec 31, 2019</i>
<i>Total assets</i>	<i>\$ 346,610</i>	<i>\$ 313,136</i>	<i>\$ -</i>	<i>\$ -</i>
<i>Working capital (deficiency)</i>	<i>155,201</i>	<i>181,321</i>	<i>(512,304)</i>	<i>(428,606)</i>
<i>Loss for the period</i>	<i>(26,120)</i>	<i>(11,402)</i>	<i>(83,698)</i>	<i>(4,009)</i>
<i>Loss per share</i>	<i>(0.00)</i>	<i>(0.00)</i>	<i>(0.12)</i>	<i>(0.01)</i>

	<i>Three Months Ended Sept 30, 2019</i>	<i>Three Months Ended June 30, 2019</i>	<i>Three Months Ended Mar 31, 2019</i>	<i>Three Months Ended Dec 31, 2018</i>
<i>Total assets</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>Working capital (deficiency)</i>	<i>(424,597)</i>	<i>(414,952)</i>	<i>(406,240)</i>	<i>(403,571)</i>
<i>Loss for the period</i>	<i>(9,645)</i>	<i>(8,712)</i>	<i>(2,669)</i>	<i>-</i>
<i>Loss per share</i>	<i>(0.01)</i>	<i>(0.01)</i>	<i>(0.00)</i>	<i>(0.00)</i>

### **Related party transactions**

#### ***Related party balances***

During the three months ended September 30, 2020, the Company paid or accrued professional fees of \$2,500 (2019 - \$2,500) to the CFO of the Company and, at September 30, 2020, \$10,000 (June 30, 2020 - \$7,500) was included in accounts payable.

#### ***Key management personnel compensation***

The Company's related parties include key management personnel. Key management personnel includes executive officers and members of the Board of Directors of the Company.

### **Other Matters**

The Company has no business or operations, and no cash flow. At September 30, 2020, the Company had working capital of \$155,201 inclusive of cash on hand of \$343,676. This compares to working capital of \$181,321 as at June 30, 2020, inclusive of cash on hand of \$310,202.

As at September 30, 2020, the Company had current and total assets of \$346,610 (June 30, 2020 - \$313,136) and total liabilities of \$191,409 (June 30, 2020 - \$131,815). The Company does not have any long-term debt.

The Company may need to raise additional capital in order to seek new business opportunities. However, there can be no assurances that the Company will be successful in obtaining financing on terms acceptable to it, or at all. Subsequent to September 30, 2020, the Company has initiated a non-brokered private placement for up to 8,000,000 special warrants in the capital of the Company at \$0.75 per special warrant, of which \$50,000 has been received as at September 30, 2020. Each special warrant will entitle the holder to receive, for no additional consideration, one common share of the Company upon the Company obtaining conditional listing on a stock exchange in Canada.

There are no known trends, risks or demands affecting the Company except that (i) for the Company to carry on any new active business, it may be required to raise new financing, and (ii) the COVID-19 pandemic has caused a downturn in financial markets, including Canadian venture exchanges, which has led to increased challenges to start-up companies from raising capital.

The major operating milestones affecting or pertaining to the Company are: (i) to seek new business opportunities; and (ii) to seek to resume trading on the TSX-V or another stock exchange in Canada. There is no assurance any of the above will occur.

There are no commitments, expected or unexpected events, or uncertainties that materially affected the Company's operations, liquidity or capital resources or are reasonably likely to have a material effect going forward; save and except for the uncertainty pertaining to the Company being able to raise any financing or finding any new business opportunity on terms acceptable to the Company, or at all.

There are no significant changes from disclosure previously made about how the Company was going to use proceeds from any financing.

The Company has no off-balance sheet arrangements as at the date of this MD&A.

The Company has no undisclosed proposed transactions as at the date of this MD&A.

The Company has not adopted any new accounting policies, nor does it expect to adopt any new accounting policies subsequent to June 30, 2020, including changes to be made voluntarily or those due to a change in an accounting standard or a new accounting standard that the Company does not have to adopt until a future date; save and except the Company adopted IFRS 16, Leases as of July 1, 2019 (which change did not have any impact on the Company's consolidated financial statements as the Company has no leases).

For a discussion of financial instruments, and the risks associated therewith, see Note 7 to the Company's unaudited consolidated interim financial statements for the three months ended September 30, 2020. The Company's financial assets consist of cash, whereas the Company's financial liabilities consist of accounts payable and accrued liabilities and due to related parties. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

As at the date of this MD&A, the Company had 14,975,636 common shares issued and outstanding; and 14,280,000 warrants exercisable at \$0.125 per share until April 22, 2025. There were no other securities outstanding in the capital of the Company as of September 30, 2020 or the date of this MD&A.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

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FORM 13-501F2

CLASS 2 REPORTING ISSUERS – PARTICIPATION FEE

MANAGEMENT CERTIFICATION

I, Mark Gelmon, an officer of the reporting issuer noted below have examined this Form 13-501F2 (the **Form**) being submitted hereunder to the Alberta Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

<u>“Mark Gelmon”</u>	<u>October 20,2020</u>
Name: Mark Gelmon	Date:
Title: CFO	

<b>Reporting Issuer Name:</b>	<u>Carbon Streaming Corporation</u>
<b>End date of previous financial year:</b>	<u>June 30, 2020</u>

Financial Statement Values:

(Use stated values from the audited financial statements of the reporting issuer as of the end of its previous financial year)

Retained earnings or deficit	\$ -16,255,594(A)
Contributed surplus	\$ 1,885,388.00(B)
Share capital or owners’ equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes)	\$ 14,551,527(C)
Non-current borrowings (including the current portion)	\$ 0.00(D)
Finance leases (including the current portion)	\$ 0.00(E)
Non-controlling interest	\$ 0.00(F)
Items classified on the statement of financial position as non-current liabilities (and not otherwise listed above)	\$ 0.00(G)
Any other item forming part of equity and not set out specifically above	\$ 0.00(H)
<b>Capitalization for the previous financial year</b> (Add items (A) through (H))	\$ 181,321.00
<b>Participation Fee</b>	\$ 400.00
<b>Late Fee, if applicable</b>	\$ 0.00
<b>Total Fee Payable</b> (Participation Fee plus Late Fee)	\$ 400.00



FORM 13-502F2  
CLASS 2 REPORTING ISSUERS – PARTICIPATION FEE

MANAGEMENT CERTIFICATION	
I, <u>Mark Gelmon</u> , an officer of the reporting issuer noted below have examined this Form 13-502F2 (the <b>Form</b> ) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.	
(s) “Mark Gelmon”	October 20, 2020
Name: Mark Gelmon	Date:
Title: CFO	

Reporting Issuer Name:	<u>Carbon Streaming Corporation</u>
End date of previous financial year:	<u>June 30, 2020</u>

Financial Statement Values:	
(Use stated values from the audited financial statements of the reporting issuer as of the end of its previous financial year)	
Retained earnings or deficit	\$ -16,255,594(A)
Contributed surplus	\$ 1,885,388(B)
Share capital or owners’ equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes)	\$ 14,551,527(C)
Non-current borrowings (including the current portion)	\$ 0(D)
Finance leases (including the current portion)	\$ 0(E)
Non-controlling interest	\$ 0(F)
Items classified on the statement of financial position as non-current liabilities (and not otherwise listed above)	\$ 0(G)
Any other item forming part of equity and not set out specifically above	\$ 0(H)
Capitalization for the previous financial year	
(Add items (A) through (H))	\$ 181,321
Participation Fee	
(From Appendix A of OSC Rule 13-502 Fees, select the participation fee beside the capitalization calculated above)	\$ 890.00
Late Fee, if applicable	
(As determined under section 2.7 of OSC Rule 13-502 Fees)	\$
Total Fee Payable	
(Participation Fee plus Late Fee)	\$ 890.00

**CARBON STREAMING CORPORATION**  
(FORMERLY MEXIVADA MINING CORP.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ANNUAL MD&A – FOR THE YEAR ENDED JUNE 30, 2020**

This management's discussion and analysis ("MD&A") reviews the significant activities of Carbon Streaming Corporation (formerly Mexivada Mining Corp.) ("CSC" or the "Company") and analyzes the financial results for the year ended June 30, 2020. This MD&A should be read in conjunction with the audited annual consolidated financial statements for the year ended June 30, 2020 of the Company with the related notes thereto, which are available for viewing on [www.sedar.com](http://www.sedar.com).

All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is October 16, 2020.

Management is responsible for the preparation and integrity of the Company's audited annual consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's financial statements and MD&A, is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Although such information is considered to be accurate, actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

**Overview**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 13, 2004 under the name "Mexivada Mining Corp.", and commenced operations on November 18, 2004. The Company has historically focused on the acquisition of precious and rare high tech metal exploration properties in Mexico, the state of Nevada in the United States, and in the province of Ontario in Canada.

Until recently, the Company had been subject to the following cease trade orders ("CTO"s) with respect to the Company's failure to file its annual financial statements for the fiscal year ended June 30, 2012, and corresponding MD&A:

1. CTO issued by the British Columbia Securities Commission on November 19, 2012;
2. CTO issued by the Ontario Securities Commission (OSC) on December 3, 2012; and
3. CTO issued by the Alberta Securities Commission (ASC) on March 5, 2013.

During the year ended June 30, 2020, the Company made application to have the CTOs revoked; and in February 2020, the Company was successful in obtaining full revocation orders to all three CTOs.

The Company's shares previously traded on the TSX Venture Exchange ("TSX-V") under the symbol "MNV". Upon the first CTO being issued, the Company's shares were halted from trading and, on May 9, 2017, the Company's shares were delisted from trading on the TSX-V for failing to pay outstanding sustaining fees. The Company's shares are not presently listed for trading on any stock exchange.

The Company has no mineral property interests and no active operations; and, as such, it does not generate any operating income or cash flow. The Company will need to raise capital to settle its outstanding liabilities, for general and administrative expenses, and to seek new business opportunities. However, until recently, with the CTOs in place, there was no opportunity to raise any capital. Even with the CTOs having been rescinded, there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

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### **Corporate Restructuring**

On June 15, 2020, the Company completed a 100-old for 1-new share consolidation and a name change to Carbon Streaming Corporation. All common shares, warrants, options, loss per share and weighted average number of shares outstanding have been retroactively restated to reflect this share consolidation.

### **Amalgamation**

During June 2020, the Company issued 14,280,000 units (post-consolidation), in conjunction with a three-cornered amalgamation, at the deemed price of \$0.05 per unit (\$714,000). Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.125 until April 22, 2025. The Company incurred issuance costs totalling \$8,973 in conjunction with this transaction.

### **Management Changes**

During June 2020, Ming Jang, Edgar Froese and Colin Watt were appointed as directors of the Company and Mark Gelmon was appointed as Chief Financial Officer of the Company. Subsequent to June 30, 2020, Richard Redfern resigned from the Company's board of directors and as CEO.

### **Selected Annual Information**

	<b>Year ended June 30, 2020</b>	<b>Year ended June 30, 2019</b>	<b>Year ended June 30, 2018</b>
Revenue	Nil	Nil	Nil
Loss and comprehensive loss for the year	\$ (108,754)	\$ (11,381)	\$ (20,152)
Loss per share	\$ (0.08)	\$ (0.02)	\$ (0.04)
Total assets	\$ 313,136	\$ Nil	\$ Nil
Long-term liabilities	\$ Nil	\$ Nil	\$ Nil

The loss for the year ended June 30, 2020 ("fiscal 2020") increased to \$108,754 from \$11,381 incurred during fiscal 2019 primarily as a result of incurring professional fees and transfer agent and filing fees expenses relating to preparation and filing of outstanding financial statements, and making application for revocation of the CTOs.

The loss for the year ended June 30, 2019 ("fiscal 2019") decreased to \$11,381 from \$20,152 incurred during fiscal 2018 primarily as a result of incurring lower office and professional fee expenses during fiscal 2019.

### **Results of Operations**

#### *Three months ended June 30, 2020*

During the three months ended June 30, 2020 (the "current period"), the Company incurred a loss and comprehensive loss of \$11,402 compared to a loss of \$8,712 for the three months ended June 30, 2019 (the "comparative period").

During the current period, the Company incurred professional fees of \$44,208 as compared to \$12,500 incurred during the comparative period. This increase reflects costs incurred by the Company toward preparing and filing outstanding financial statements, and making application for revocation of the CTOs. The Company also recognized a foreign exchange gain of \$4,621 during the current period compared to a \$1,119 foreign exchange gain during the comparative period on USD-denominated liabilities (see "*Related Party Transactions*" below). In addition, during the current period, the Company incurred transfer agent and filings fees of \$6,543 relating to making application for revocation of the CTOs and recognized an expense recovery of \$48,885 (2019 – Nil) relating to the reversal of various payables from prior years.

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*Year ended June 30, 2020*

During the year ended June 30, 2020 (the “current year”), the Company incurred a loss and comprehensive loss of \$108,754 compared to a loss of \$11,381 for the year ended June 30, 2019 (the “comparative year”).

During the current year, the Company incurred professional fees of \$61,708 as compared to \$12,500 incurred during the comparative year. This increase reflects costs incurred by the Company toward preparing and filing outstanding financial statements, and making application for revocation of the CTOs. The Company also recognized a foreign exchange loss of \$10,448 during the current year compared to a \$1,119 foreign exchange gain recognized during the comparative year on USD-denominated liabilities (see “*Related Party Transactions*” below). In addition, during the current year, the Company incurred transfer agent and filings fees of \$63,826 relating to making application for revocation of the CTOs, accrued management fees of \$7,500 to the Company’s former CEO and recognized an expense recovery of \$48,885 (2019 – Nil) relating to the reversal of various payables from prior years.

**Summary of Quarterly Results**

	<i>Three Months Ended June 30, 2020</i>	<i>Three Months Ended Mar 31, 2020</i>	<i>Three Months Ended Dec 31, 2019</i>	<i>Three Months Ended Sept 30, 2019</i>
<i>Total assets</i>	<i>\$ 313,136</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>Working capital (deficiency)</i>	<i>181,321</i>	<i>(512,304)</i>	<i>(428,606)</i>	<i>(424,597)</i>
<i>Loss for the period</i>	<i>(11,402)</i>	<i>(83,698)</i>	<i>(4,009)</i>	<i>(9,645)</i>
<i>Loss per share</i>	<i>(0.00)</i>	<i>(0.12)</i>	<i>(0.01)</i>	<i>(0.01)</i>
	<i>Three Months Ended June 30, 2019</i>	<i>Three Months Ended Mar 31, 2019</i>	<i>Three Months Ended Dec 31, 2018</i>	<i>Three Months Ended Sept 30, 2018</i>
<i>Total assets</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>Working capital (deficiency)</i>	<i>(414,952)</i>	<i>(406,240)</i>	<i>(403,571)</i>	<i>(403,571)</i>
<i>Loss for the period</i>	<i>(8,712)</i>	<i>(2,669)</i>	<i>-</i>	<i>-</i>
<i>Loss per share</i>	<i>(0.01)</i>	<i>(0.00)</i>	<i>(0.00)</i>	<i>(0.00)</i>

**Related party transactions**

***Related party balances***

During the year ended June 30, 2020, the Company paid or accrued management fees of \$7,500 (2019 - \$Nil) to the former CEO of the Company.

During the year ended June 30, 2020, the Company paid or accrued professional fees of \$15,000 (2019 - \$Nil) to the CFO of the Company and, at June 30, 2020, \$7,500 (2019 - \$Nil) was included in accounts payable.

As at June 30, 2020, there was \$Nil (June 30, 2019 - \$179,155 (US\$136,903)) owing to Richard Redfern and John Ellis, former directors of the Company.

Amounts due to related parties are non-interest bearing, unsecured and are due on demand.

***Key management personnel compensation***

The Company’s related parties include key management personnel. Key management personnel includes executive officers and members of the Board of Directors of the Company.

### **Other Matters**

The Company has no business or operations, and no cash flow. At June 30, 2020, the Company had working capital of \$181,321 inclusive of cash on hand of \$310,202. This compares to a working capital deficiency of \$414,952 as at June 30, 2019, inclusive of cash on hand of \$Nil.

During the year ended June 30, 2020, the Company received \$67,637 pursuant to arm's-length amounts advanced to the Company. These amounts are non-interest bearing, unsecured and are due on demand and are included within accounts payable and accrued liabilities.

As at June 30, 2020, the Company had current and total assets of \$313,136 (June 30, 2019 - \$Nil) and total liabilities of \$131,815 (June 30, 2019 - \$414,952). The Company does not have any long-term debt.

The Company may need to raise additional capital in order to seek new business opportunities. However, there can be no assurances that the Company will be successful in obtaining financing on terms acceptable to it, or at all.

There are no known trends, risks or demands affecting the Company except that (i) for the Company to carry on any new active business, it may be required to raise new financing, and (ii) the COVID-19 pandemic has caused a downturn in financial markets, including Canadian venture exchanges, which has led to increased challenges to start-up companies from raising capital.

The major operating milestones affecting or pertaining to the Company are: (i) to seek new business opportunities; and (ii) to seek to resume trading on the TSX-V or another stock exchange in Canada. There is no assurance any of the above will occur.

There are no commitments, expected or unexpected events, or uncertainties that materially affected the Company's operations, liquidity or capital resources or are reasonably likely to have a material effect going forward; save and except for the uncertainty pertaining to the Company being able to raise any financing or finding any new business opportunity on terms acceptable to the Company, or at all.

There are no significant changes from disclosure previously made about how the Company was going to use proceeds from any financing.

The Company has no off-balance sheet arrangements as at the date of this MD&A.

The Company has no undisclosed proposed transactions as at the date of this MD&A.

The Company has not adopted any new accounting policies, nor does it expect to adopt any new accounting policies subsequent to June 30, 2020, including changes to be made voluntarily or those due to a change in an accounting standard or a new accounting standard that the Company does not have to adopt until a future date; save and except the Company adopted IFRS 16, Leases as of July 1, 2019 (which change did not have any impact on the Company's consolidated financial statements as the Company has no leases).

For a discussion of financial instruments, and the risks associated therewith, see Note 7 to the Company's audited annual consolidated financial statements for the year ended June 30, 2020. The Company's financial assets consist of cash, whereas the Company's financial liabilities consist of accounts payable and accrued liabilities and due to related parties. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

As at the date of this MD&A, the Company had 14,975,636 common shares issued and outstanding; and 14,280,000 warrants exercisable at \$0.125 per share until April 22, 2025. There were no other securities outstanding in the capital of the Company as of June 30, 2020 or the date of this MD&A.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

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Form 52-109FV1

Certification of Annual Filings  
Venture Issuer Basic Certificate

I, **Colin Watt**, designated Chief Executive Officer of Carbon Streaming Corporation (formerly Mexivada Mining Corp.), certify the following:

- 1. **Review:** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of **Carbon Streaming Corporation** (the “issuer”) for the financial year ended June 30, 2020.
- 2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
- 3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: October 20,2020

“Colin Watt”  
\_\_\_\_\_  
Colin Watt,  
Designated Chief Executive Officer

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52- 109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Form 52-109FV1

Certification of Annual Filings  
Venture Issuer Basic Certificate

I, **Mark Gelmon, Chief Financial Officer of Carbon Streaming Corporation (formerly Mexivada Mining Corp.)**, certify the following:

- 1. **Review:** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of **Carbon Streaming Corporation** (the “issuer”) for the financial year ended June 30, 2020.
- 2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
- 3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: October 20, 2020

“Mark Gelmon”

Mark Gelmon,  
Chief Financial Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52- 109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**CARBON STREAMING CORPORATION**

**TO:           British Columbia Securities Commission  
              Alberta Securities Commission  
              Ontario Securities Commission**

**AND TO:     Dale Matheson Carr-Hilton Labonte LLP**

**AND TO:     Baker Tilly WM LLP**

**NOTICE OF CHANGE OF AUDITOR**

(National Instrument 51-102)

Carbon Streaming Corporation (the “Company”) gives the following notice in accordance with Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”):

- (a)     at the request of the Company, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, (“DMCL”) has resigned as auditors of the Company, effective July 8, 2020;
- (b)     following such resignation, the Company appointed Baker Tilly WM LLP, Chartered Professional Accountants, (“Baker Tilly”), as the successor auditors of the Company;
- (c)     DMCL has not expressed any reservation in its reports for the most recently completed fiscal year of the Company, nor for the period from the most recently completed period for which DMCL issued an audit report in respect of the Company;
- (d)     the resignation of DMCL and appointment of Baker Tilly, as auditors of the Company were considered and approved by the Company’s Audit Committee and Board of Directors; and
- (e)     in the opinion of the Board of Directors of the Company, there are no reportable events between the Company and DMCL.

**CARBON STREAMING CORPORATION**

Per: “*Mark Gelmon*”

\_\_\_\_\_  
Mark Gelmon,  
Chief Financial Officer

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DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

1500 – 1540 W. Pender Street  
Vancouver, BC V6E 4G1  
TEL 604.683.4747 | FAX 604.689.7778

July 20, 2020

**British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
9<sup>TH</sup> Floor – 701 West Georgia Street  
Vancouver, B.C. V7Y 1L2

**Ontario Securities Commission**

20 Queen Street West, 22nd Floor  
Toronto, ON M5H 3S8

**Alberta Securities Commission**

Suite 600, 250 – 5<sup>th</sup> Street S.W. Calgary,  
Alberta T2P 0R4

Dear Sirs:

**Re: Carbon Streaming Corporation (the “Company”)**  
**Notice Pursuant to National Instrument 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our resignation as auditor of the Company, we have reviewed the information contained in the Company’s Notice of Change of Auditor, dated July 8, 2020 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'DMCL'.

**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver • Tri-Cities • Surrey • Victoria

---



**Baker Tilly WM LLP**  
900 – 400 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3B7  
**T:** +1 604.684.6212  
**F:** +1 604.688.3497

vancouver@bakertilly.ca  
**www.bakertilly.ca**

July 20, 2020

To the:  
Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission

Dear Sir/ Madam:

**Re: Notice of Change of Auditor Carbon Streaming Corporation**

We have read the Notice of Change of Auditor of Carbon Streaming Corporation dated July 8, 2020 and are in agreement with the statements contained in such Notice.

Yours very truly,

*Baker Tilly WM LLP*

Per: Anna C. Moreton, Inc. Incorporated Partner  
Baker Tilly WM LLP  
Chartered Professional Accountants

ASSURANCE • TAX • ADVISORY

*Baker Tilly WM LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

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BC Registry  
Services

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
[www.corporateonline.gov.bc.ca](http://www.corporateonline.gov.bc.ca)

Location:  
2nd Floor - 540 Blanshard Street  
Victoria BC  
1 877 528-1526

**CERTIFIED COPY**  
Of a Document filed with the Province of  
British Columbia Registrar of Companies

## Notice of Articles

BUSINESS CORPORATIONS ACT

  
CAROL PREST

*This Notice of Articles was issued by the Registrar on: November 29, 2021 11:46 AM Pacific Time*

*Incorporation Number:* **BC0704014**

*Recognition Date and Time:* *Incorporated on September 13, 2004 02:10 PM Pacific Time*

### NOTICE OF ARTICLES

**Name of Company:**

CARBON STREAMING CORPORATION

### REGISTERED OFFICE INFORMATION

**Mailing Address:**

SUITE 1700, PARK PLACE  
666 BURNARD STREET  
VANCOUVER BC V6C 2X8  
CANADA

**Delivery Address:**

SUITE 1700, PARK PLACE  
666 BURNARD STREET  
VANCOUVER BC V6C 2X8  
CANADA

### RECORDS OFFICE INFORMATION

**Mailing Address:**

SUITE 1700, PARK PLACE  
666 BURNARD STREET  
VANCOUVER BC V6C 2X8  
CANADA

**Delivery Address:**

SUITE 1700, PARK PLACE  
666 BURNARD STREET  
VANCOUVER BC V6C 2X8  
CANADA

---

**DIRECTOR INFORMATION****Last Name, First Name, Middle Name:**

Swan, Maurice

**Mailing Address:**4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA**Delivery Address:**4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA

---

**Last Name, First Name, Middle Name:**

Cochrane, Justin

**Mailing Address:**4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA**Delivery Address:**4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA

---

**Last Name, First Name, Middle Name:**

Handa, Saurabh

**Mailing Address:**4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA**Delivery Address:**4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA

---

**Last Name, First Name, Middle Name:**

Tester, Andy

**Mailing Address:**4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA**Delivery Address:**4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA

---

**Last Name, First Name, Middle Name:**

MacGibbon, Candace

**Mailing Address:**4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA**Delivery Address:**4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA

---

**Last Name, First Name, Middle Name:**

Bustin, R. Marc

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TORONTO ON M5H 1B6  
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TORONTO ON M5H 1B6  
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Last Name, First Name, Middle Name:  
Usonis, Jeanne

Mailing Address:  
4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA

Delivery Address:  
4 KING STREET WEST, SUITE 401  
TORONTO ON M5H 1B6  
CANADA

AUTHORIZED SHARE STRUCTURE

1.	No Maximum	Common Shares	Without Par Value
			Without Special Rights or Restrictions attached

Incorporation Number: BC0704014

Effective as of: November 12, 2021

AMENDED AND RESTATED ARTICLES  
OF  
CARBON STREAMING CORPORATION  
*BUSINESS CORPORATIONS ACT*  
BRITISH COLUMBIA

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AMENDED AND RESTATED ARTICLES  
OF  
CARBON STREAMING CORPORATION  
(the “Company”)

PART 1  
INTERPRETATION

1.1 Definitions

In these Articles (the “Articles”), unless the context otherwise requires:

- (1) “**appropriate person**” has the meaning assigned in the *Securities Transfer Act*;
  - (2) “**board of directors**”, “**directors**” and “**board**” mean the directors of the Company for the time being;
  - (3) “**Business Corporations Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
  - (4) “**Interpretation Act**” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
  - (5) “**legal personal representative**” means the personal or other legal representative of a shareholder;
  - (6) “**protected purchaser**” has the meaning assigned in the *Securities Transfer Act*;
  - (7) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;
  - (8) “**seal**” means the seal of the Company, if any;
  - (9) “**Securities Act**” means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
  - (10) “**securities legislation**” means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; “**Canadian securities legislation**” means the securities legislation in any province or territory of Canada and includes the *Securities Act*; and “**U.S. securities legislation**” means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the *Securities Act* of 1933 and the *Securities Exchange Act* of 1934;
  - (11) “**Securities Transfer Act**” means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.
-

## **1.2 Business Corporations Act and Interpretation Act Definitions Applicable**

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

## **PART 2 SHARES AND SHARE CERTIFICATES**

### **2.1 Authorized Share Structure**

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

### **2.2 Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

### **2.3 Shareholder Entitled to Certificate or Acknowledgment**

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

### **2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company (including the Company's legal counsel or transfer agent) is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

### **2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the Company is satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, it must, on production to it of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as it thinks fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

### **2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate**

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the Company.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

### **2.7 Recovery of New Share Certificate**

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

### **2.8 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

### **2.9 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

### **2.10 Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

## **PART 3 ISSUE OF SHARES**

### **3.1 Directors Authorized**

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

### **3.2 Commissions and Discounts**

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

### **3.3 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

### **3.4 Conditions of Issue**

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (a) past services performed for the Company;
  - (b) property;
  - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

### **3.5 Share Purchase Warrants and Rights**

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## **PART 4 SHARE REGISTERS**

### **4.1 Central Securities Register**

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register, which may be kept in electronic form.

### **4.2 Appointment of Agent**

The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

If the Company has appointed a transfer agent, references in Articles 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, and 5.7 to the Company include its transfer agent.

### **4.3 Closing Register**

The Company must not at any time close its central securities register.

## **PART 5**

### **SHARE TRANSFERS**

#### **5.1 Registering Transfers**

The Company must register a transfer of a share of the Company if either:

- (1) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:
  - (a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
  - (b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the *Business Corporations Act* and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
  - (c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or
- (2) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

#### **5.2 Waivers of Requirements for Transfer**

The Company may waive any of the requirements set out in Article 5.1(1) and any of the preconditions referred to in Article 5.1(2).

#### **5.3 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

#### **5.4 Transferor Remains Shareholder**

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

#### **5.5 Signing of Instrument of Transfer**

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:



- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

### **5.6 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

### **5.7 Transfer Fee**

Subject to the applicable rules of any stock exchange on which the shares of the Company may be listed, there must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

## **PART 6 TRANSMISSION OF SHARES**

### **6.1 Legal Personal Representative Recognized on Death**

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

### **6.2 Rights of Legal Personal Representative**

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles and applicable securities legislation, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

## **PART 7 ACQUISITION OF COMPANY'S SHARES**

### **7.1 Company Authorized to Purchase or Otherwise Acquire Shares**

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares, the *Business Corporations Act* and applicable securities legislation, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

## **7.2 No Purchase, Redemption or Other Acquisition When Insolvent**

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

## **7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares**

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

# **PART 8 BORROWING POWERS**

## **8.1 Borrowing Powers**

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

# **PART 9 ALTERATIONS**

## **9.1 Alteration of Authorized Share Structure**

Subject to Articles 9.2 and 9.3, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may:

- (1) by ordinary resolution:
  - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares; or
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (d) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (e) alter the identifying name of any of its shares; or
- (f) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, if applicable, alter its Notice of Articles and Articles accordingly; or

- (2) by resolution of the directors, subdivide or consolidate all or any of its unissued, or fully paid issued, shares and if applicable, alter its Notice of Articles and, if applicable, its Articles accordingly.

## **9.2 Special Rights or Restrictions**

Subject to the special rights or restrictions attached to any class or series of shares and the *Business Corporations Act*, the Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

## **9.3 No Interference with Class or Series Rights without Consent**

A right or special right attached to issued shares must not be prejudiced or interfered with under the *Business Corporations Act*, the Notice of Articles or these Articles unless the holders of shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of the holders of such class or series of shares.

## **9.4 Change of Name**

The Company may by directors' resolution or ordinary resolution authorize an alteration to its Notice of Articles in order to change its name.

## **9.5 Other Alterations**

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

## **PART 10 MEETINGS OF SHAREHOLDERS**

### **10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place, either in or outside British Columbia, as may be determined by the directors.

### **10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

### **10.3 Calling of Meetings of Shareholders**

The directors may, at any time, call a meeting of shareholders, to be held at such time and place, either in or outside British Columbia, as may be determined by the directors.

### **10.4 Notice for Meetings of Shareholders**

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

### **10.5 Record Date for Notice and Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of, and to vote at, any meeting of shareholders.

### **10.6 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **10.7 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
  - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
  - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

#### 10.8 Class Meetings and Series Meetings of Shareholders

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

#### 10.9 Electronic Meetings

The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

#### 10.10 Advance Notice Provisions

##### (1) *Nomination of Directors*

Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the procedures set out in this Article 10.10 shall be eligible for election as directors to the board of directors of the Company. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

- (a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the *Business Corporations Act* or a valid requisition of shareholders made in accordance with the provisions of the *Business Corporations Act*; or
- (c) by any person entitled to vote at such meeting (a "**Nominating Shareholder**"), who:
  - (i) is, at the close of business on the date of giving notice provided for in this Article 10.10 and on the record date for notice of such meeting, either entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company; and
  - (ii) has given timely notice in proper written form as set forth in this Article 10.10.

(2) ***Exclusive Means***

For the avoidance of doubt, this Article 10.10 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.

(3) ***Timely Notice***

In order for a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), the Nominating Shareholder’s notice must be received by the corporate secretary of the Company at the principal executive offices or registered office of the Company:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. (Vancouver time) on the 30<sup>th</sup> day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the meeting (each such date being the “**Notice Date**”) is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15<sup>th</sup> day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in Article 10.10(3)(a) or 10.10(3)(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40<sup>th</sup> day before the date of the applicable meeting.

(4) ***Proper Form of Notice***

To be in proper written form, a Nominating Shareholder’s notice to the corporate secretary must comply with all the provisions of this Article 10.10 and disclose or include, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a “**Proposed Nominee**”):
  - (i) the name, age, business and residential address of the Proposed Nominee;
  - (ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;
  - (iii) the number of securities of each class of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iv) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;
  - (v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the *Business Corporations Act* or applicable securities law; and
  - (vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as director under the provisions of subsection 124(2) of the *Business Corporations Act*; and

- (b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:
- (i) their name, business and residential address;
  - (ii) the number of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;
  - (iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
  - (v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;
  - (vi) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
  - (vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and
  - (viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or as required by applicable securities law.

Reference to “**Nominating Shareholder**” in this section 10.10(4) shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

(5) ***Currency of Nominee Information***

All information to be provided in a Timely Notice pursuant to this Article 10.10 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

(6) ***Delivery of Information***

Notwithstanding Part 23 of these Articles, any notice, or other document or information required to be given to the corporate secretary pursuant to this Article 10.10 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Company and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. (Vancouver time) and otherwise on the next business day.

(7) ***Defective Nomination Determination***

The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 10.10, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

(8) ***Failure to Appear***

Despite any other provision of this Article 10.10, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Company to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Company.

(9) ***Waiver***

The board may, in its sole discretion, waive any requirement in this Article 10.10.

(10) ***Definitions***

For the purposes of this Article 10.10, “**public announcement**” means disclosure in a press release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

**PART 11  
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

**11.1 Special Business**

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
  - (a) business relating to the conduct of or voting at the meeting;
  - (b) consideration of any financial statements of the Company presented to the meeting;
  - (c) consideration of any reports of the directors or auditor;
  - (d) the setting or changing of the number of directors;
  - (e) the election or appointment of directors;



- (f) the appointment of an auditor;
- (g) the setting of the remuneration of an auditor;
- (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
- (i) any non-binding advisory vote.

### **11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

### **11.3 Quorum**

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, a quorum for the transaction of business at a meeting of shareholders is present if any two shareholders who, in the aggregate, hold at least 10% of the voting rights attached to issued shares entitled to be voted at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

### **11.4 One Shareholder May Constitute Quorum**

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

### **11.5 Persons Entitled to Attend Meeting**

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the officers, any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

### **11.6 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

### **11.7 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

### **11.8 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

### **11.9 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the chief executive officer (“CEO”), if any.

### **11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or CEO present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the CEO are unwilling to act as chair of the meeting, or if the chair of the board and the CEO have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

### **11.11 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **11.12 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

### **11.13 Electronic Voting**

Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communications facilities, if the directors determine to make them available, whether or not persons entitled to attend participate in the meeting by means of communications facilities.

### **11.14 Decisions by Show of Hands or Poll**

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands by means of electronic, telephonic or other communications facility, unless a poll, before or on the declaration of the result of the vote by show of hands or the functional equivalent of a show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

**11.15 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands (or its functional equivalent) or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**11.16 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

**11.17 Casting Vote**

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

**11.18 Manner of Taking Poll**

Subject to Article 11.19, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
  - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

**11.19 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

**11.20 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

**11.21 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

**11.22 No Demand for Poll on Election of Chair**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

**11.23 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

**11.24 Retention of Ballots and Proxies**

The Company or its agent must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company or its agent may destroy such ballots and proxies.

**PART 12  
VOTES OF SHAREHOLDERS**

**12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

**12.2 Votes of Persons in Representative Capacity**

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

**12.3 Votes by Joint Holders**

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

**12.4 Legal Personal Representatives as Joint Shareholders**

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

## **12.5 Representative of a Corporate Shareholder**

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must be received:
  - (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned or postponed meeting; or
  - (b) at the meeting or any adjourned or postponed meeting, by the chair of the meeting or adjourned or postponed meeting or by a person designated by the chair of the meeting or adjourned or postponed meeting;
- (2) if a representative is appointed under this Article 12.5:
  - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company or its transfer agent by written instrument, fax or any other method of transmitting legibly recorded messages.

## **12.6 When Proxy Holder Need Not Be Shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (4) the Company is a public company.

## **12.7 When Proxy Provisions Do Not Apply to the Company**

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

**12.8 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. The instructing of proxy holders may be carried out by means of telephonic, electronic or other communications facility in addition to or in substitution for instructing proxy holders by mail.

**12.9 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

**12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting;
- (2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting; or
- (3) be received in any other manner determined by the board or the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages or by using such available internet or telephone voting services as may be approved by the directors.

**12.11 Validity of Proxy Vote**

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

**12.12 Form of Proxy**

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]  
  
(the “Company”)

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned): \_\_\_\_\_

\_\_\_\_\_  
Signed [month, day, year]

\_\_\_\_\_  
[Signature of shareholder]

\_\_\_\_\_  
[Name of shareholder - printed]

**12.13 Revocation of Proxy**

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

**12.14 Revocation of Proxy Must Be Signed**

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

**12.15 Chair May Determine Validity of Proxy.**

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

**12.16 Production of Evidence of Authority to Vote**

The board or the chair of any meeting of shareholders may, but need not, at any time (including before, at or subsequent to the meeting) inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence for the purposes of determining a person’s share ownership as at the relevant record date and the authority to vote.

## **PART 13 DIRECTORS**

### **13.1 Number of Directors**

The Company shall have a minimum of three and a maximum of 15 directors. The number of directors is the number within the minimum and maximum determined by the directors from time to time. If the number of directors has not been determined as provided in this section, the number of directors is the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special general meeting of the shareholders, or by the directors pursuant to Article 14.7.

### **13.2 Change in Number of Directors**

If the number of directors is set under Article 13.1:

- (1) the shareholders may elect the directors needed to fill any vacancies in the board of directors up to that number; or
- (2) the directors, subject to Article 14.7, may appoint directors to fill those vacancies.

No decrease in the number of directors will shorten the term of an incumbent director.

### **13.3 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

### **13.4 Qualifications of Directors**

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

### **13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine.

### **13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

### **13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of, or not in his or her capacity as, a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.



**PART 14**  
**ELECTION AND REMOVAL OF DIRECTORS**

**14.1 Election at Annual General Meeting**

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set by the directors under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment, subject to being nominated in accordance with Article 10.10.

**14.2 Consent to be a Director**

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*; or
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

**14.3 Failure to Elect or Appoint Directors**

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) when his or her successor is elected or appointed; and
- (4) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

**14.4 Directors May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the directors.

**14.5 Remaining Directors' Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

**14.6 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

**14.7 Additional Directors**

Notwithstanding Article 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.7 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.7.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment, subject to being nominated in accordance with Article 10.10.

**14.8 Ceasing to be a Director**

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.9 or 14.10.

**14.9 Removal of Director by Shareholders**

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

**14.10 Removal of Director by Directors**

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company in accordance with the *Business Corporations Act* and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

**PART 15  
POWERS AND DUTIES OF DIRECTORS**

**15.1 Powers of Management**

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

**15.2 Appointment of Attorney of Company**

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

**PART 16**  
**INTERESTS OF DIRECTORS AND OFFICERS**

**16.1 Director Holding Other Office in the Company**

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

**16.2 No Disqualification**

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

**16.3 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

**PART 17**  
**PROCEEDINGS OF DIRECTORS**

**17.1 Meetings of Directors**

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

**17.2 Voting at Meetings**

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

**17.3 Chair of Meetings**

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any; or
- (2) in the absence of the chair of the board, the CEO, if any, if the CEO is a director; or
- (3) any other director chosen by the directors if:
  - (a) neither the chair of the board nor the CEO, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
  - (b) neither the chair of the board nor the CEO, if a director, is willing to chair the meeting; or
  - (c) the chair of the board and the CEO, if a director, have advised the corporate secretary, if any, or any other director, that they will not be present at the meeting.

#### **17.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors:

- (1) in person;
- (2) by telephone; or
- (3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person, or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

#### **17.5 Calling of Meetings**

A director may, and the corporate secretary or an assistant corporate secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

#### **17.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1 or as provided in Article 17.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone conversation with a director.

#### **17.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director has waived notice of the meeting.

#### **17.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

#### **17.9 Waiver of Notice of Meetings**

Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

Attendance of a director at a meeting of the directors is a waiver of notice of the meeting, unless that director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**17.10 Quorum**

The quorum necessary for the transaction of the business of the directors is a majority of the number of directors in office or such other number as the directors may determine from time to time.

**17.11 Validity of Acts Where Appointment Defective**

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

**17.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 17.12 may be by any written instrument, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

**PART 18  
BOARD COMMITTEES**

**18.1 Appointment and Powers of Committees**

The directors may, by resolution:

- (1) appoint one or more committees consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
  - (a) the power to fill vacancies in the board of directors;
  - (b) the power to remove a director or appoint additional directors;
  - (c) the power to set the number of directors;
  - (d) the power to create a committee of directors, create or modify the terms of reference for a committee of the directors, or change the membership of, or fill vacancies in, any committee of the directors;
  - (e) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation permitted by paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

**18.2 Obligations of Committees**

Any committee appointed under Article 18.1, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

**18.3 Powers of Board**

The directors may, at any time, with respect to a committee appointed under Article 18.1:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

**18.4 Committee Meetings**

Subject to Article 18.2(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Article 18.1:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

**PART 19  
OFFICERS**

**19.1 Directors May Appoint Officers**

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

**19.2 Functions, Duties and Powers of Officers**

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

### 19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

### 19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## PART 20 INDEMNIFICATION

### 20.1 Definitions

In this Part 20:

- (1) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director or an officer or former officer of the Company (each, an “**eligible party**”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of the Company:
  - (a) is or may be joined as a party; or
  - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) “**expenses**” has the meaning set out in the *Business Corporations Act*;
- (4) “**officer**” means an officer appointed by the board of directors.

### 20.2 Mandatory Indemnification of Directors and Officers

Subject to the *Business Corporations Act*, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding to the fullest extent permitted by the *Business Corporations Act*.

### 20.3 Deemed Contract

Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in Article 20.2.

**20.4 Permitted Indemnification**

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person, including directors, officers, employees, agents and representatives of the Company.

**20.5 Non-Compliance with *Business Corporations Act***

The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part 20.

**20.6 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, officer, employee or agent of the Company;
- (2) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

**PART 21  
DIVIDENDS**

**21.1 Payment of Dividends Subject to Special Rights**

The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

**21.2 Declaration of Dividends**

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

**21.3 No Notice Required**

The directors need not give notice to any shareholder of any declaration under Article 21.2.

**21.4 Record Date**

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.



### **21.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

### **21.6 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

### **21.7 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

### **21.8 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

### **21.9 Dividend Bears No Interest**

No dividend bears interest against the Company.

### **21.10 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

### **21.11 Payment of Dividends**

Any dividend or other distribution payable in money in respect of shares may be paid;

- (1) by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing; or
- (2) by electronic transfer, if so authorized by the shareholder.

The mailing of such cheque or the forwarding by electronic transfer will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

### **21.12 Capitalization of Retained Earnings or Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

**PART 22**  
**ACCOUNTING RECORDS AND AUDITOR**

**22.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

**22.2 Inspection of Accounting Records**

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

**22.3 Remuneration of Auditor**

The directors may set the remuneration of the auditor of the Company.

**PART 23**  
**NOTICES**

**23.1 Method of Giving Notice**

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
  - (a) for a record mailed to a shareholder, the shareholder's registered address;
  - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
  - (a) for a record delivered to a shareholder, the shareholder's registered address;
  - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the delivery address of the intended recipient;
- (3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient;
- (6) creating and providing a record posted on or made available through a general accessible electronic source and providing written notice by any of the foregoing methods as to the availability of such record; or
- (7) as otherwise permitted by applicable securities legislation.

### **23.2 Deemed Receipt**

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and
- (4) delivered in accordance with Section 23.1(6), is deemed to be received by the person on the day such written notice is sent.

### **23.3 Certificate of Sending**

A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

### **23.4 Notice to Joint Shareholders**

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

### **23.5 Notice to Legal Personal Representatives and Trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
  - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

### **23.6 Undelivered Notices**

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

## **PART 24**

### **SEAL**

#### **24.1 Who May Attest Seal**

Except as provided in Articles 24.1(2) and 24.1(3), the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

#### **24.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

#### **24.3 Mechanical Reproduction of Seal**

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.



**Consent of Independent Auditor**

We hereby consent to the incorporation by reference in this Registration Statement on Form 40-F of Carbon Streaming Corporation of our report dated September 27, 2021, relating to the consolidated financial statements of Carbon Streaming Corporation for the years ended June 30, 2021 and 2020 which appears in Exhibit 99.35 of this Registration Statement.

*/s/ Baker Tilly WM LLP*

Baker Tilly WM LLP  
Chartered Professional Accountants

Vancouver, Canada  
February 23, 2022

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