

Carbon Streaming Announces Term Sheet and Royalty Agreement With Future Carbon Group

Term Sheet includes US\$3M Royalty in Four REDD+ Projects in the Brazilian Amazon

Carbon Streaming and Future Carbon also Partner to Advance the Development of the Bonobo Peace Forest Projects

TORONTO--(BUSINESS WIRE)--September 12, 2022--Carbon Streaming Corporation (NEO: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) (“**Carbon Streaming**” or the “**Company**”) is pleased to announce that it has entered into an exclusive term sheet (the “**Term Sheet**”) with Future Carbon Group (“**FCG**” or “**Future Carbon**”) covering four REDD+ projects in Brazil (“**FCG Amazon Portfolio**” or “**Projects**”). In connection with the Term Sheet, the Company has advanced Future Carbon US\$3 million and entered into a royalty agreement (the “**FCG Amazon Portfolio Royalty**”) covering Future Carbon’s interest in the Projects.

Investment Highlights:

- The Company made a payment of US\$3.0 million on signing the Term Sheet in exchange for a 5% royalty on carbon credit revenues generated by Future Carbon from the Projects.
- Carbon credits will be generated from four REDD+ projects located throughout the Brazilian Amazon and registered with Verra, with SocialCARBON as the co-benefit standard.
- The Projects are in advanced stages of registration and verification with Verra, with first credits on some projects having been issued in the third quarter of 2022. Given the Projects’ locations and co-benefits, the credits are expected to command premium pricing. The Company expects to receive revenue from the FC Amazon Portfolio Royalty in 2023.
- As part of the long-term partnership with Future Carbon, Carbon Streaming expects the FCG Amazon Portfolio Royalty to be foundational for a stream agreement on the Projects in the near future.
- Carbon Streaming and Future Carbon have also agreed to partner in advancing the development of the Sankuru Nature Reserve and the Kokolopori Reserve carbon projects of the Bonobo Peace Forest (the “**Bonobo Peace Forest Projects**”) in the Democratic Republic of Congo (the “**DRC**”).

Carbon Streaming Founder and CEO Justin Cochrane stated: “It’s a great privilege to partner with Future Carbon, an organization with strong community connections and decades of technical expertise in carbon and forestry management. The Amazon and Congo rainforests are among the world’s largest carbon sinks and in desperate need of climate finance to prevent deforestation and limit carbon emissions. I am pleased we can accelerate the development of

these projects in Brazil and the DRC together while exploring additional opportunities to direct capital to other critical carbon projects elsewhere in the world.”

Co-CEO of Future Carbon Marina Cançado added: “We are pleased to collaborate with the Carbon Streaming team developing crucial projects for the Amazon forest conservancy. The innovative financing from Carbon Streaming enables us to accelerate our growth in Brazil and internationally.”

Future Carbon Term Sheet and Royalty

The Term Sheet and FCG Amazon Portfolio Royalty covers four Projects located in the Amazon rainforest in the states of Amazonas, Mato Grosso, Pará and Rondônia, which are deemed at high risk of deforestation. Project activities will deliver multiple co-benefits to local communities while protecting forests and biodiversity. The Projects aim to reduce approximately 68.3 million tonnes of CO₂ equivalent (“tCO_{2e}”) emissions over the 30-year lives of the Projects.

Under the terms of the FCG Amazon Portfolio Royalty, Carbon Streaming will receive 5% of the carbon credit revenues generated by Future Carbon from its interest in the Projects. Amounts under the FCG Amazon Portfolio Royalty are to be paid semi-annually for 30 years starting in the second half of 2023. The royalty payment provided by Carbon Streaming will be used by FCG to support further exploration and early-stage due diligence for additional carbon projects both in Brazil and internationally. Under the Term Sheet and as part of the long-term partnership with Future Carbon, the parties expect the FCG Amazon Portfolio Royalty to lay the foundation for a stream agreement on the Projects in the near future.

Bonobo Peace Forest

Future Carbon is also working with the Bonobo Conservation Initiative (“BCI”) team to advance the Bonobo Peace Forest Projects and filed draft project design documents with Verra in August 2022. The Company has entered into an amended and restated term sheet with BCI to advance an additional US\$0.6 million to BCI and entered into a royalty agreement with BCI (the “**Bonobo Peace Forest Royalty**”). The additional funds will be used to continue to develop the Bonobo Peace Forest Projects.

Under the terms of the Bonobo Peace Forest Royalty, Carbon Streaming will receive 5% of revenue from carbon credit sales generated by the Bonobo Peace Forest Projects. Amounts under the Bonobo Peace Forest Royalty are to be paid quarterly for 30 years starting from date of the first royalty payment. Carbon Streaming expects the Bonobo Peace Forest Royalty to lay the foundation for a stream agreement on the Sankuru and Kokolopori carbon projects.

About Carbon Streaming

Carbon Streaming is an 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 have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

The Company has executed carbon credit streaming agreements related to over 10 projects around the globe, including nature-based, biochar, clean cookstove and water filtration projects.

To receive corporate updates via e-mail as soon as they are published, please subscribe here.

About Future Carbon Group

Future Carbon Group (FCG) is a climate business that develops carbon credit projects at scale through the combination of operational capacity, good governance, applied technology and innovative financing.

FCG is the largest generator of carbon projects in Brazil with 16 REDD+ projects focused on avoiding deforestation and conserving the Amazon forest and 16 renewable energy projects, which combined have generated more than 230 MtCO₂e in emission reductions.

Founded in Brazil with global operations, Future Carbon International (FCI) is the international business division of Future Carbon Group and recognized as a major carbon project developer worldwide. Learn more at: <https://www.futurecarbon.com.br/en/>.

Advisories

The references to third party websites and sources contained in this news release (including information with regards to the Future Carbon Group) are provided for informational purposes and are not to be considered statements of the Company.

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 estimation of future carbon credit generation and emissions reductions from the FCG Amazon Portfolio; the ability for the FCG Amazon Portfolio and the Bonobo Peace Forest Projects to be independently verified by Verra; the expected benefits associated with the FCG Amazon Portfolio and the Bonobo Peace Forest Projects ; the use of proceeds from the term sheets; the generation of co-benefits from the Projects; the ability for the Company to enter into stream transactions with Future Carbon or BCI; the credits from the Projects to command premium pricing; timing of the

receipt of revenue from the FC Amazon Portfolio Royalty; and statements with respect to execution of the Company's portfolio and partnership strategy.

When used in this news release, words such as “estimates”, “expects”, “plans”, “anticipates”, “will”, “believes”, “intends” “should”, “could”, “may” and other similar terminology are intended to identify such forward-looking statements. 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. They should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. Factors that could cause actual results or events to differ materially from current expectations include, among other things: 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 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. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should exercise caution in relying upon forward-looking

statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.

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