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**ANNUAL INFORMATION FORM  
FOR THE FINANCIAL YEAR ENDED  
December 31, 2024**

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As of March 31, 2025

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## NOTE TO READER

Unless otherwise stated, the information contained in this Annual Information Form (“AIF”) of Carbon Streaming Corporation (the “Company” or “Carbon Streaming”) is presented as at December 31, 2024, being the date of the Company’s most recently audited financial period.

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

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

### Advisories

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

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

## CORPORATE STRUCTURE

### Name, Address and Incorporation

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

The registered office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8. The principal office of the Company is located at Suite 530, 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6.

The Company’s Common Shares are listed on Cboe Canada (formerly the NEO Exchange) under the symbol “NETZ”, the March 2026 Warrants are listed on Cboe Canada under the symbol “NETZ.WT” and the September 2026 Warrants are listed on Cboe Canada under the symbol “NETZ.WT.B”. The Company’s Common Shares are also listed on the Frankfurt Stock Exchange under the symbol “M2Q” and trade on the OTC Markets under the symbol “OFSTF”.

## Intercorporate Relationships

The Company has two subsidiaries, 1253661 B.C. Ltd. and Blue Dot Carbon Corp. (“**Blue Dot**”), each a wholly owned corporation incorporated under the laws of British Columbia. See “*Description of the Business – Other Agreements & Investments*”.

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

## GENERAL DEVELOPMENT OF THE BUSINESS

### Three Year History

The Company has undertaken the following corporate activities:

#### *Recent Developments*

- On March 31, 2025, Sam Wong was appointed to the Board, effective April 1, 2025.
- On January 29, 2025, the Company announced that it had formally responded to the Notice of Adverse Impact it received from Mast and Droneseed under the Sheep Creek Stream and that it has requested Mast to respond to the Company’s significant concerns regarding, among other things, the timing of the delivery of the Notice of Adverse Impact, and the characterization of the cause of the adverse impact. See “*Description of the Business – Overview of the Company’s Carbon Credit Projects*”.

#### *Year Ended December 31, 2024*

- On December 23, 2024, the Company announced the appointment of Mark Schaal as Chief Financial Officer of the Company, effective January 1, 2025.
- On December 23, 2024, Marin Katusa was appointed to the Board and Jeanne Usonis resigned from the Board.
- On November 21, 2024, the Company announced the appointment of Marin Katusa as Chief Executive Officer of the Company, effective November 25, 2024, to replace the Interim Chief Executive Officer, Christian Milau and that Mr. Milau would also step down from the Board, effective November 30, 2024.
- On October 17, 2024, the Company announced that it had initiated arbitration proceedings and an Ontario court action to enforce its legal and contractual rights under the Rimba Raya PSA (as defined below). See “*Description of the Business – Overview of the Company’s Carbon Credit Projects*”.
- On July 3, 2024, the Company announced that it had completed its previously announced acquisition of Blue Dot pursuant to a share purchase agreement dated May 31, 2024. See “*Description of the Business – Other Agreements & Investments*”.

- On May 31, 2024, the Company announced the resignation of Justin Cochrane and Maurice Swan as directors of the Company and the appointment of Christian Milau, Marcel de Groot and Olivier Garret to the Board. The Company also announced the resignation of Mr. Cochrane as Chief Executive Officer and the appointment of Mr. Milau as Interim Chief Executive Officer of the Company. The Company also announced that Mr. Cochrane was appointed as President of the Company and that Mr. Cochrane and Conor Kearns, Chief Financial Officer had entered into amended employment arrangements with Company and would continue as employees of the Company, at their current compensation levels, to December 31, 2024.
- On May 21, 2024, the Company announced that it had entered into the Azuero Reforestation Stream with ARC in collaboration with Microsoft and Rubicon. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On May 15, 2024, the Company announced an update on the status of the Concession License (as defined below) at the Rimba Raya project first announced on April 26, 2024, and confirmed that the Company had formally learned that the Concession License had been revoked by the Indonesian Government’s Ministry of Environment and Forestry through an administrative decree. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On May 13, 2024, the Company announced the formation of a special independent committee of the Board to conduct an independent review of the allegations concerning the termination of Justin Cochrane and Conor Kearns from Nickel 28 Capital Corp. and to confirm compliance with the Company’s corporate governance policies and procedures and applicable law. On January 4, 2024, the Company announced that it had reduced the size of the Board from eight (8) to five (5) directors. In connection with the decrease in size of the Board, R. Marc Bustin, Saurabh Handa, and Andy Tester voluntarily resigned from the Board on January 3, 2024.

*Year Ended December 31, 2023*

- On November 15, 2023, the Company announced that the Board had initiated the next phase of the Restructuring, a strategic alternatives review process, with the continued goal of ensuring the Company’s competitiveness and long-term sustainability. The Board also announced that it had established a special committee of non-executive, independent Directors to assist with oversight of the strategic alternatives review process. See *“Description of the Business – Reorganizations”*.
- On September 25, 2023, the Company announced that it had entered into the Feather River Reforestation Stream, the second stream under the Pipeline Agreement with Mast. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On June 20, 2023, it was announced that Justin Cochrane would assume the role of President & Chief Executive Officer, following the resignation of Michael Psihogios. Mr. Psihogios had previously been appointed as President & Chief Executive Officer on May 31, 2023. In connection with the May 31, 2023 personnel changes, Geoff Smith, President & Chief Operating Officer also departed the Company.

- On May 10, 2023, the Company announced it had entered into the Pipeline Agreement with Mast to develop a pipeline of post-wildfire reforestation projects in the Western United States that would generate carbon removal credits. The first project to be funded under the Pipeline Agreement with Mast was the Sheep Creek Reforestation project. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.

*Six Months Ended December 31, 2022*

- On December 28, 2022, the Company announced that the Rimba Raya project operator InfiniteEARTH had issued a press release announcing that the Rimba Raya project had been validated under the new Indonesian carbon regulation, Regulation No. 21 of 2022 (“**Reg 21**”) and with the carbon registry, Sistem Registri Nasional Pengendalian Perubahan Iklim (“**SRN**”). Under Reg 21, all carbon projects in Indonesia must be registered, validated and verified on the SRN carbon registry. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On November 10, 2022, the Company changed its financial year-end to December 31 (from June 30) to align the Company’s financial reporting period with traditional financial, operational, and taxation cycles.
- On November 3, 2022, the Company announced that it had entered into the Enfield Biochar Stream and Royalty with Standard Biocarbon. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On September 30, 2022, the Company announced that it had entered into the Nalgonda Rice Farming Stream with Core CarbonX. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On September 12, 2022, the Company announced that it had entered into a term sheet and royalty agreement with Future Carbon. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On August 12, 2022, the Company announced that it changed its auditor to Deloitte LLP from Baker Tilly WM LLP, effective August 11, 2022.
- On July 12, 2022, the Company entered into an exclusive term sheet with Citadelle. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On July 6, 2022, the Company increased its equity investment in Carbon Fund Advisors, the former fund sponsor of the Carbon Strategy ETF. Carbon Fund Advisors ceased being the fund sponsor in December 2023 and was dissolved in May 2024. See *“Description of the Business – Other Agreements & Investments”*.

*Year Ended June 30, 2022*

- On June 21, 2022, the Company announced that it had entered into the Sustainable Community Stream with Will Solutions Inc. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.

- On May 17, 2022, the Company announced that it had entered into the Community Carbon Stream, which subsequently closed on August 16, 2022. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On May 12, 2022, the Company announced that it had entered into the Waverly Biochar Stream with Waverly RB. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On February 23, 2022, the Company announced the filing of a registration statement on Form 40-F with the United States Securities and Exchange Commission (“SEC”) to advance a potential U.S. listing of the Common Shares and Warrants on The Nasdaq Stock Market LLC. The listing was subject to approval and satisfaction of all applicable listing requirements, including effectiveness of the Form 40-F by the SEC. The Form 40-F has not been declared effective by the SEC and the listing on a U.S. exchange has been put on hold (and as of the date of this AIF, is not expected to proceed in the foreseeable future).
- On January 10, 2022, Alice Schroeder was appointed to the Board.
- On November 22, 2021, the Common Shares commenced trading on the OTCQB Market in the United States under the symbol “OFSTF”.
- On November 20, 2021, the automatic conversion of the Special Warrants into underlying Common Shares and the September 2026 Warrants occurred, with the September 2026 Warrants commencing trading on Cboe Canada under the symbol “NETZ.WT.B” on November 24, 2021. See *“Description of Capital Structure – Warrants”*.
- On November 18, 2021, the Company announced that it had closed the previously announced Magdalena Bay Blue Carbon Stream with Fundación MarVivo Mexico, A.C. and MarVivo Corporation. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On November 12, 2021, Candace MacGibbon was elected to the Board at the Company’s annual general and special meeting of Shareholders.
- On October 22, 2021, the Company completed a share consolidation (reverse stock split), whereby every 5 pre-Consolidation Common Shares were consolidated into one post-Consolidation Common Share, with post-Consolidation trading commencing on October 25, 2021.
- On October 5, 2021, the Company announced that Geoff Smith was appointed as President and Chief Operating Officer of the Company.
- On September 13, 2021, the Company announced that it had entered into the Cerrado Biome Stream with ERA. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”*.
- On August 25, 2021, the Company filed a preliminary non-offering prospectus to qualify distribution and trading of the Special Warrants, which was subsequently withdrawn on November 22, 2021.

- On August 3, 2021, the Company announced that it had signed the Rimba Raya Stream and SAA with InfiniteEARTH and its founders. See *“Description of the Business – Overview of the Company’s Carbon Credit Projects”* and *“Description of the Business – Other Agreements & Investments”*.
- On July 30, 2021, the Company announced that its Common Shares had commenced trading on the Frankfurt Stock Exchange under the symbol “M2Q”.
- On July 27, 2021, the Common Shares and the March 2026 Warrants commenced trading on Cboe Canada under the symbols “NETZ” and “NETZ.WT”, respectively.
- On July 19, 2021, the Company completed the Special Warrant private placement for aggregate gross proceeds of \$104.9 million through the sale of 104,901,256 Special Warrants at a price of \$1.00 per Special Warrant (pre-Consolidation). See *“Description of Capital Structure –Warrants”*.

## DESCRIPTION OF THE BUSINESS

### Overview

Carbon Streaming is a carbon credit streaming and royalty company focused on providing capital to carbon projects globally, primarily by entering into or acquiring streaming, royalty or other similar arrangements to purchase carbon credits from the underlying project and then generate cash flow from the sale of carbon credits. See *“– Carbon Credit Streaming and Royalty Agreements”* for details of the Company’s streams / royalties on each project.

Historically, the Company’s strategy has been to: (i) enter into or acquire streaming, royalty or royalty-like arrangements with project developers/operators, non-governmental organizations (NGOs), non-profit organizations, companies, individuals or governments (generally referred to as a project partner) to purchase carbon credits generated by their project(s) or asset(s); (ii) acquire or invest, in the form of equity, debt or other forms of investment, in carbon credits or entities, assets or properties involved in the origination, generation, monitoring, or management of carbon credits or related businesses; and (iii) market and sell carbon credits to maximize value for all of our stakeholders and deliver long-term cash flow to project partners, the projects and local communities.

The Company is currently focussed on maximizing value from the existing portfolio of investments and is pursuing all options to achieve that goal.

### **Project Identification**

When selecting projects, the Company has historically sought to acquire diversified projects (by geography, project type and Standard) that meet criteria to generate high-integrity carbon credits and that aim to address Co-Benefits (including for certain projects the United Nations’ Seventeen Sustainable Development Goals (the “UN SDGs”)).

### **Project Monitoring of Development and Operation**

Throughout the development and operational phases of a project, the Company receives regular updates on progress toward this plan. Under the terms of the agreements, project partners are required to provide



the Company with quarterly reports and financial statements. During the development phase, the Company also meets regularly with project partners to receive progress updates and, where needed, engages with key stakeholders.

## **Marketing and Sales**

Sales of carbon credits are and will be generated through multiple distribution channels in the voluntary market including to end-users (such as corporate purchasers who would retire (or use) the credits) or intermediaries, such as voluntary carbon market specialist organizations which transact on behalf of end-user organizations or trade carbon credits. The Company may also have credits listed on various exchanges and other sales channels where the Company retires carbon credits on behalf of purchasers following receipt of payment. Carbon credit prices fluctuate continually and are affected by many factors. The Company works closely with the project partners when making decisions about the allocation of sales channels and contract structure. See *“Risk Factors — Carbon Credit Industry Risk — Carbon credit generation may be impacted by local legislation, regulations and/or director government intervention”*, *“Risk Factors — Carbon Credit Industry Risk — Foreign operation and political risk”* and *“Risk Factors – Project Risk – Dependence on third party project developers, owners and operators”* below.

## **Carbon Credit Streaming and Royalty Agreements**

A carbon credit streaming agreement is a contractual agreement whereby Carbon Streaming, as the stream purchaser, makes an upfront deposit (in the form of cash, shares or other consideration) to a project partner, in return for the right to purchase all or a portion of the future carbon credits (including the emission reductions/removals and associated Co-Benefits) generated by a project or an asset over the term of the agreement. The project partner may use the upfront deposit to fund the development, expansion or operation of a project or for general corporate purposes. Carbon Streaming then receives the carbon credits from the project partner and typically pays an ongoing delivery payment, or purchase price per-carbon credit, to the project partner when the carbon credits are sold. Carbon Streaming typically retains a portion of cash flows from carbon credit sales, with stream-specific retention varying. Project partners typically receive the balance through ongoing delivery payments under the terms of each agreement. Cash flows are subject to fluctuations based on realized carbon credit prices and agreement terms.

## **Project Streaming Agreement Classification Criteria**

Management has developed five distinct categories corresponding to the status of each of its stream / royalty agreements for additional context to better evaluate the Company’s portfolio. In classifying each of its streams / royalties, management considers, among other things, the following criteria: (i) whether the project is actively delivering carbon credits to the Company under the stream; (ii) the significance of any outstanding milestones, regulatory or otherwise, that need to be met prior to carbon credits being delivered to the Company under the stream; (iii) the status of the underlying project under its applicable Standard Body (for example, for the projects under Verra (VCS), whether the project is under development or fully registered); and (iv) management’s internal projections and judgement regarding project viability, proximity to completion, and overall risk profile of delivery. The classification for each stream / royalty within these categories is a matter of professional judgment and each classification for each stream /

royalty is revisited at the end of each reporting period.

#### *Delivering*

For a stream / royalty to be categorized as “Delivering”, the Company must have received carbon credits under the stream (or royalty payments under the royalty) and expects to continue actively receiving such credits / payments through the customary cycle of the agreement. This classification also means that the underlying project(s) has been fully registered with the applicable Standard, and has produced carbon credits and delivered them to the Company under the terms of the agreement. As a result, a stream / royalty categorized as “Delivering” is expected to generate revenue and operating cash flow to the Company in the near-term.

#### *Pre-Delivery*

For a stream / royalty to be categorized as “Pre-Delivery”, the streams / royalties must have not yet delivered carbon credits (or royalty payments) to the Company, but all development activities for the underlying project are substantially complete and the third-party audit has been scheduled or the third-party audit is in progress or is complete. In most cases, management views the delivery of carbon credits for streams (or royalty payments for royalties) categorized as “Pre-Delivery” to be probable given the progress of the underlying project and is only further subject to Standard Body timelines to realize carbon credit issuance. Management views first delivery of carbon credits to be probable within the next 12 months as of the reporting date. See “– Industry Overview – Carbon Credit Registries and Standard Bodies”.

#### *Development*

For a stream / royalty to be categorized as “Development”, the stream/ royalty has not yet delivered carbon credits or royalty payments to the Company and are at an earlier stage of project development than the projects in the “Pre-Delivery” category and has not yet completed the milestones for a third-party audit. The ability for these streams / royalties to ultimately deliver carbon credits or royalty payments is contingent on project execution, regulatory approval and the successful completion of the initial third-party audit in accordance with the Standard Body requirements. Given these uncertainties, projects in this category are considered higher risk assets.

#### *Suspended*

For a stream / royalty to be categorized as “Suspended”, the stream /royalty was previously in other categories but is currently not delivering, and / or is not expected to deliver, carbon credits (or royalty payments) to the Company due to issues affecting the underlying project. These issues may include project deregistration, loss of validation, significant operational, regulatory, or financial challenges, or other material uncertainties that must be resolved before carbon credit delivery or royalty payments can resume. A stream / royalty classified as "Suspended" may deliver carbon credits or royalty payments in the future if the underlying issues are successfully addressed; however, both the timing and outcome remain uncertain.

#### *Expired*

For a stream / royalty to be categorized as “Expired”, the stream / royalty must have previously been in

the “Pre-Delivery”, “Delivering” or “Development” category, but the term of the stream or royalty has expired, the agreement has been terminated, or the Company believes that no further credits will be delivered under the stream or payments made under the royalty or at all. The fair value of streams / royalties in this category is \$nil.

As at December 31, 2024, the Company’s portfolio contained carbon credit streaming and royalty arrangements in the Delivering, Pre-Delivery, Development, Suspended, and Expired phases. For the year ended December 31, 2024, the Company classified the Rimba Raya Stream, the Magdalena Bay Blue Carbon Stream and the Sustainable Community Stream as “Expired”. See the “*Company’s Carbon Credit Projects*”.

## Key Terms of Carbon Credit Projects and Stream / Royalty Agreements

A summary of the key terms of the Company's streams and royalties as at December 31, 2024 are set forth below. See “– *Overview of the Company’s Carbon Credit Projects*” for a full description of the Company’s streaming or royalty agreement for each project.

Stream / Royalty Partner	Project Information					Stream/ Royalty Information				
	Location	Activity Type	Registry / Credit Type	Expected Credit Issuance Over Project Life <sup>(1)</sup>	Project Start Year <sup>(2)</sup>	Total Upfront Deposit <sup>(3)</sup>	Stream Funding Status (Upfront Deposit amount paid) (%)	Expected Initial Crediting Period of Stream or Royalty <sup>(4)</sup>	Year of First Credit Delivery to the Company <sup>(5)</sup>	Stream / Royalty Status <sup>(6)</sup>
<b>Streams</b>										
<b>Rimba Raya</b> InfiniteEARTH Limited and PT InfiniteEARTH Nusantara	Central Kalimantan, Borneo, Indonesia	Avoidance/ Reduction REDD+ (AFOLU)	SRN (SPE – GRK)	–	2009	\$26.3 million <sup>(7)</sup>	100%	50 years	–	Expired <sup>(8)</sup>
<b>Magdalena Bay Blue Carbon</b> Fundación MarVivo Mexico, MarVivo Corporation	Magdalena Bay, Baja California Sur, México	Avoidance/ Reduction To be developed as REDD+ (AFOLU/ Blue Carbon)	Verra (VCU) (Planned)	–	2020	\$7.8 million	30.8%	30 years	–	Expired <sup>(9)</sup>
<b>Cerrado Biome</b> ERA Cerrado Assessoria e Projectos Ambientais Ltd.	Cerrado, Brazil	Avoidance/ Reduction REDD+ (AFOLU / ACoGS)	Verra (VCU)	1.2 million <sup>(10)</sup>	2017	\$0.5 million	100%	30 years	2023	Delivering
<b>Waverly Biochar</b> Waverly RB SPE LLC <sup>(11)</sup>	Virginia, United States	Removal/ Sequestration Biochar	Puro.earth (CORC)	0.263 million	2023	\$2.95 million	100%	25 years	–	Development
<b>Community Carbon (5 Projects)</b> <sup>(12)</sup> Community Carbon and UpEnergy Group	Uganda Mozambique Tanzania Malawi	Avoidance/ Reduction Cookstove/ Water purification <sup>(12)</sup>	Gold Standard (VER) / Verra (VCU) <sup>(13)</sup>	14.7 million <sup>(14)</sup>	2020	\$20 million	81.5%	15 years <sup>(15)</sup>	2023	Delivering
<b>Nalgonda Rice Farming</b> Core CarbonX Pte. Ltd. and Core CarbonX Solutions Private Limited	Telangana State, India	Avoidance/ Reduction Agriculture Land Management (AFOLU)	Verra (VCU)	2.4 million	2022	\$2.44 million	79.9%	7 years	–	Development
<b>Enfield Biochar</b> Standard Biocarbon <sup>(11)</sup>	Maine, United States	Removal/ Sequestration Biochar	Puro.earth (CORC)	0.9 million	2023	\$1.3 million	76.9%	30 years	–	Development
<b>Azuero Reforestation Stream</b> Azuero Reforestación Colectiva, S.A.	Azuero Peninsula, Panama	Removal/ Sequestration Reforestation	Verra (VCU)	3.21 million	2025	\$7.1 million	15.1%	26 years	–	Development
<b>Sheep Creek Reforestation</b> Mast Reforestation SPV I, LLC <sup>(16)</sup>	Montana, United States	Removal/ Sequestration Reforestation	CAR (FMUs) <sup>(17)</sup>	–	2022	\$3.53 million	62.4%	2 years	–	Suspended

Stream / Royalty Partner	Project Information					Stream/ Royalty Information				
	Location	Activity Type	Registry / Credit Type	Expected Credit Issuance Over Project Life <sup>(1)</sup>	Project Start Year <sup>(2)</sup>	Total Upfront Deposit <sup>(3)</sup>	Stream Funding Status (Upfront Deposit amount paid) (%)	Expected Initial Crediting Period of Stream or Royalty <sup>(4)</sup>	Year of First Credit Delivery to the Company <sup>(5)</sup>	Stream / Royalty Status <sup>(6)</sup>
<b>Feather River Reforestation</b> Mast Reforestation SPV I, LLC	California, United States	Removal/ Sequestration Reforestation	CAR (FMUs) <sup>(17)</sup>	0.05 million	2022	\$0.7 million	90.3%	1 year	–	Development
<b>Baccala Ranch Reforestation</b> Mast Reforestation SPV I, LLC <sup>(18)</sup>	–	–	–	–	–	–	–	–	–	–
<b>Royalties</b>										
<b>Bonobo Peace Forest (2 Projects)</b> Bonobo Conservation Initiative	The Democratic Republic of Congo	Avoidance/ Reduction REDD+ (AFOLU)	Verra (VCU)	N/A	N/A	\$2.5 million	100%	30 years	N/A	Suspended
<b>Amazon Portfolio (4 Projects)</b> Future Carbon International LLC	Brazil	Avoidance/ Reduction REDD (AFOLU)	Verra (VCU)	N/A	N/A	\$3.0 million	100%	30 years	N/A	Delivering

**Notes:**

- (1) Expected Credit Issuance Over Project Life refers to the number of expected carbon credits to be issued from projects in the “Development” or “Delivering” category as specified in the project documents submitted to the relevant standard body (the “**Project Documents**”) or as updated based on updated issuance information provided by the project partner. The share of carbon credits from each project to be delivered to the Company under each stream/ royalty agreement varies based on the specific contractual terms. The Company receives royalty payments and not carbon credits under its royalty agreements.
- (2) Project Start Year refers to the year in which project activities that generate emission reductions or removals begin or are expected to begin. In most cases, the Project Start Year occurs before the year in which credits are first delivered to the Company.
- (3) Total upfront deposit amounts assume all milestones will be realized and all installments paid in full. Management’s assumptions and actual payments made under any streaming/ royalty agreement may differ, as payments are subject to conditions which may or may not be met.
- (4) The term of a streaming / royalty agreement commences on the effective date of the agreement. The initial crediting period of the stream/ royalty typically commences upon delivery of first credits to the Company and can be extended should the project(s) continue to issue carbon credits beyond the current or expected crediting period of the project.
- (5) The Year of First Credit Delivery to the Company refers to the Year in which the Company received First Credit Delivery under the terms of each carbon credit streaming agreement. Given the significant uncertainties under the Company’s carbon credit streaming agreements, the Company no longer has sufficient support to provide expected year of first credit delivery. See the “*Overview of the Company’s Carbon Credit Projects*” section of this AIF.
- (6) The Company classifies its streams and royalties in five categories with reference to the stage of each project ranging from development of projects to delivery of carbon credits to the Company. See the “Project Streaming Agreement Classification Criteria” section of this AIF.
- (7) Only includes cash amounts paid under the Rimba Raya Stream. Excludes the dollar value of share consideration granted under the SAA.
- (8) Given that the Rimba Raya project has had its Concession License revoked by the MOEF (as defined herein) and the Company has initiated arbitration proceedings against InfiniteEARTH, the Rimba Raya Stream status has been classified as “Expired”. Under the SRN registry, the Rimba Raya project is expected to have a project lifetime until 2073. In October 2024, InfiniteEARTH delivered the Rimba Raya Notice of Abandonment (as defined herein). The Company has notified InfiniteEARTH that it rejects the assertion that the prohibition resulting from Regulation No. 7 2023 (as defined herein) constitutes an event of force majeure. Refer to the “*Overview of the Company’s Carbon Credit Projects*” of this AIF for further information.
- (9) In the third quarter of 2024, MarVivo delivered the MarVivo Notice of Abandonment. The Company’s position is that the attempt to abandon the project constitutes a breach of the terms of the Magdalena Bay Blue Carbon Stream and has rejected the assertion that the failure to transfer the concession license constitutes an event of force majeure. As a result, the Company has classified the Magdalena Bay Blue Carbon Stream as “Expired”. Refer to the “*Overview of the Company’s Carbon Credit Projects*” section of this AIF for further information.
- (10) Slower-than-expected land enrollment, driven by declining demand and lower prices for REDD+ carbon credits, has reduced the project's forecasted carbon credits. See the “*Overview of the Company’s Carbon Credit Projects*” section of this AIF.
- (11) The Company will also receive a revenue royalty based on the value of biochar sold by the project partner. See the “*Overview of the Company’s Carbon Credit Projects*” section of this AIF.
- (12) Three of the projects are cookstove projects and two of the projects are water purification projects. In addition, the safe water project in Zambia was discontinued but is still issuing credits from previous deployments. Refer to the “*Overview of the Company’s Carbon Credit Projects*” section of this AIF for further information.
- (13) One of the cookstove projects is registered under Verra. The remaining four projects are registered under Gold Standard.

- (14) The forecasted carbon credits for the project have decreased due to lower forecasted credible unit deployments over the term of the project and methodological changes driven by concerns over emission reduction estimates, additionality, and verification challenges. See the "Overview of the Company's Carbon Credit Projects" section of this AIF.
- (15) As a result of the amendment to the Community Carbon Stream, the term of the stream will end December 31, 2040, unless the project is able to deploy cookstoves and water purification devices ahead of the projected schedule.
- (16) In January 2025, Mast informed the Company that the Sheep Creek project has faced higher-than-expected mortality rates and slower growth in surviving seedlings, rendering the project plan not viable. As a result, the Company no longer expects to generate FMUs from the Sheep Creek Reforestation Stream. Refer to the "Overview of the Company's Carbon Credit Projects" section of this AIF for further information.
- (17) The methodology applied under Climate Action Reserve's ("CAR") Climate Forward program is specifically intended for forward financing. Forecast Mitigation Units ("FMUs") for each project or project area are issued in one tranche following 'confirmation', which occurs approximately one year after planting to ensure seedling survival beyond the highest mortality period. FMUs can be retired to mitigate future anticipated emissions and may also be converted to standard Climate Action Reserve tonnes with ex-post monitoring and verification.
- (18) On March 27, 2025, Mast delivered the Company a notice of termination of the Baccala Ranch Reforestation Stream and the Baccala Ranch project, thereby confirming it will forego any plantings. As at December 31, 2024, the Company has not advanced any funds for the Baccala project and the closing of the Baccala Ranch Reforestation Stream remained subject to customary closing conditions.

## Overview of the Company's Carbon Credit Projects

A description of the Company's streaming agreements, royalty arrangements and binding term sheets is set forth below.

### Rimba Raya Stream

The Company has entered into a purchase and sale agreement dated July 30, 2021, which was amended on February 28, 2023 (the "**Rimba Raya Stream**"), with InfiniteEARTH Limited and InfiniteEARTH Nusantara (collectively, "**InfiniteEARTH**"), the project operators of the Rimba Raya project, covering the Rimba Raya project, a REDD+ project that has been conserving tropical lowland peat swamp forests in Central Kalimantan, Indonesia for over a decade. Under the amendment, InfiniteEARTH Nusantara was added as a seller to the Rimba Raya Stream. InfiniteEARTH has operated the project since its inception in 2009 through a partnership with PT Rimba Raya Conservation ("**PT Rimba**"), its local partner and the direct holder of the concession rights granted by the Indonesian government. In 2022, InfiniteEARTH established a local Indonesian subsidiary, InfiniteEARTH Nusantara, to act as project operator and persons in charge of project activities.

Pursuant to the terms of the transaction, the Company paid an upfront deposit of \$22.3 million for the Rimba Raya Stream and entered into a strategic alliance agreement (the "**SAA**") with the founders of InfiniteEARTH (the "**Founders**") for total consideration comprised of \$4.0 million in cash and the issuance of 4,539,180 Common Shares on a post-Consolidation basis. For additional information in respect of the SAA, see "*– Other Agreements & Investments – InfiniteEARTH Strategic Alliance Agreement*".

Under the terms of the Rimba Raya Stream, InfiniteEARTH agreed to deliver 100% of the carbon credits generated by the Rimba Raya project over the remaining 50-year life of the project (which, under the concession license that was re-issued in November 2021 was expected to run to 2073) for sale by Carbon Streaming, less up to 375,000 carbon credits per annum that were previously committed to a historical buyer at the time of signing. The Company is responsible for marketing and selling the carbon credits delivered to it under the Rimba Raya Stream and for making ongoing delivery payments to InfiniteEARTH for any carbon credits sold by Carbon Streaming.

## *Project Status, Ongoing Uncertainties and Risks*

### Registration and Crediting

The project is currently registered under the SRN under registry number REG-11-RE-XI-2022-10734. While there have been carbon credits issued by SRN, none of them were issued to the forestry sector. There remains significant uncertainty concerning the timing of completing verification, the resumption of the issuance of carbon credits and domestic and international trading from carbon credit projects located in Indonesia (including the Rimba Raya project), as well as any requirements or conditions that the Indonesian government may impose on any such resumption, given that a final legal and regulatory framework has not yet emerged. As such, final verification requirements, the resumption of the issuance of carbon credits (particularly from the forestry sector, including from the Rimba Raya project) and the timing of international sales continues to remain unknown at this time. For a comprehensive discussion of additional risks, assumptions and uncertainties that could impact the Indonesian regulatory and related developments described above, see also “*Risk Factors — Carbon Credit Industry Risk — Carbon credit generation may be impacted by local legislation, regulations and/or director government intervention*”, “*Risk Factors — Carbon Credit Industry Risk — Foreign operation and political risk*” and “*Risk Factors – Project Risk – Dependence on third party project developers, owners and operators*” below.

### Concession License Dispute

On April 26, 2024, the Company announced that it was informed that PT Rimba, the local concession holder for the Rimba Raya project, had its Forest Utilization Business License (the “**Concession License**”) revoked by the Ministry of Environment and Forestry (“**MOEF**”). PT Rimba challenged the MOEF’s revocation of the Concession License, and in July 2024, the State Administrative Court of Jakarta (the “**Court of Jakarta**”) reached a decision on PT Rimba’s claim and declared that the revocation by the MOEF of the Concession License is void. The MOEF appealed the decision of the Court of Jakarta and in September 2024, the State Administrative High Court of Jakarta (the “**High Court of Jakarta**”) upheld the Court of Jakarta’s decision declaring that the revocation by the MOEF of the Concession License is void. The MOEF submitted an appeal of the decision of the High Court of Jakarta and as such, the decision of the High Court of Jakarta upholding that the revocation by the MOEF of the Concession is void does not yet have permanent legal force. While the appeal process is underway, the interlocutory decision issued by the Court of Jakarta on May 16, 2024, requiring the MOEF to suspend the implementation of its decree in respect of the revocation of the Concession License, will remain in place.

### Litigation and Arbitration

In October 2024, InfiniteEARTH delivered a notice of intent to abandon the project (the “**Rimba Raya Notice of Abandonment**”). Pursuant to the Rimba Raya Notice of Abandonment, InfiniteEARTH claims that a Regulation entitled Regulation of the MOEF Number 7 Year of 2023 issued on June 14, 2023 by the Indonesian Government (“**Regulation No. 7 2023**”), prohibits the issuance and transfer of carbon rights from PT Rimba to InfiniteEARTH. InfiniteEARTH claims that as a result of Regulation No. 7 2023, it has been unable to economically develop or continue to operate the Rimba Raya project and that this is a force majeure event under the Rimba Raya Stream. The Company has notified InfiniteEARTH that it rejects the

assertion that Regulation No. 7 2023 is an event of force majeure and has commenced an arbitration seeking, among other things, an order that the Rimba Raya Notice of Abandonment is invalid or void.

In October 2024, the Company commenced an arbitration administered by the International Centre of Dispute Resolution against InfiniteEARTH in accordance with the Rimba Raya Stream, and against the shareholders of InfiniteEARTH Limited in accordance with the SAA. The arbitration has since been bifurcated into two arbitration proceedings, dealing with (i) the Rimba Raya Stream; and (ii) the SAA.

In October 2024, the Company also issued a Notice of Action in the Ontario Superior Court of Justice seeking declaratory relief against the principals of InfiniteEARTH Limited and their related entities, seeking to enforce its rights in relation to guarantees and non-competition agreements related to the Rimba Raya Stream and the SAA. Some of the defendants have counterclaimed. The dispute between the Company and InfiniteEARTH arises out of acts and omissions that the Company alleges are improper and in breach of the Rimba Raya Stream, the SAA and related agreements. Management of the Company believes that delivering the Notice of Arbitration and issuing the Notice of Action in the Ontario Superior Court of Justice were important steps in preserving the Company's legal and contractual rights. For a comprehensive discussion of the risks, assumptions and uncertainties that could further impact the Rimba Raya project developments described herein, investors are urged to review the "*Risk Factors*" and "*Legal Proceedings and Regulatory Actions*" sections below.

#### *Indonesian Regulatory Update and SRN Registry*

Historically, the Rimba Raya project was registered with Verra under project ID 674. Approximately 33 million carbon credits were issued under the Verra registry for project activities carried out from July 1, 2009 to June 30, 2019. In early 2022, the project was scheduled to undergo its sixth VCS audit to verify the emission reductions for the monitoring period from July 1, 2019 to June 30, 2021. However, in April 2022, the Indonesian government announced that it was pausing validation and verification of carbon credits from projects on the Verra Registry (and other international registries) as it sought to finalize its national carbon emission regulations and domestic registry.

Indonesia's Regulation 98 ("**Reg 98**") was announced, and became effective on October 29, 2021. Reg 98 introduced carbon economic value (also known as carbon pricing), measurement, reporting and verification requirements and a requirement to register the project on the government-operated domestic registry *Sistem Registri Nasional Pengendalian Perubahan Iklim* ("**SRN**"). The SRN is Indonesia's domestic carbon registry and a system for managing data and information on actions and resources for climate change adaptation and mitigation, carbon pricing implementation/activities, and rules including rules related to cross-border trading of carbon credits.

In October 2022, the MOEF issued Regulation No. 21 of 2022 ("**Reg 21**") regarding Implementation Procedures of Carbon Economic Value, which set out a framework for domestic and international carbon trading in Indonesia. Under Reg 21, all carbon projects in Indonesia must be registered, validated and verified on the SRN. In addition, between 10% and 20% of any carbon credit issuance for foreign GHG emission offsets may be withheld in Indonesia to meet Indonesia's NDCs as part of the country's Paris Agreement commitment, where such withheld carbon credits may be released upon the applicable sub-sector's NDC targets being met in two consecutive years. There is significant uncertainty within Indonesia

concerning the timelines associated with the completion of project verifications, the resumption of the issuance of carbon credits and domestic and international trading of carbon credits from projects located in Indonesia (including the Rimba Raya project), as well as any requirements or conditions that the Indonesian Government may impose on any such resumption, particularly given that a final legal and regulatory framework has not yet emerged.

In December 2022, the Rimba Raya project received validation under Reg 21 and with the SRN. The Verra project was made up of four parcels; initial validation of the project under the SRN is comprised of one of the four parcels, comprising 36,331 hectares under a concession agreement with the MOEF, of which approximately 28,000 hectares is the carbon accounting area, generally consistent with the project area under Verra.

Under SRN program regulations, the project's emission reductions for the first parcel will extend until 2073, and are expected to average approximately 2.7 million tCO<sub>2</sub>e per year according to the validation report. The validation was independently audited by PT Mutuagung Lestari, an Indonesian testing, inspection and certification company. The methodology used for the SRN validation of the project is adapted from the World Bank BioCarbon Fund Initiative for Sustainable Landscapes ("ISFL") Emission Reduction Program Requirements Version 2.0\_2021. The original methodology used by the project under VCS (VM0004) was not accredited to the SRN and therefore could not be used.

As at December 31, 2024, the fair value of the Rimba Raya Stream is \$nil.

#### *Project Overview*

The Rimba Raya project, located on the island of Borneo in the province of Central Kalimantan, Indonesia, protects and preserves tropical lowland peat swamp forests – one of the terrestrial ecosystems with the highest carbon storing capacity but also one of the most highly endangered ecosystems in the world. The project achieves GHG emission reductions by preventing deforestation through conversion into palm oil plantations.

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



## Magdalena Bay Blue Carbon Stream

The Company entered into a purchase and sale agreement dated May 13, 2021, which was amended and restated on July 24, 2023 (the “**Magdalena Bay Blue Carbon Stream**”), with Fundación MarVivo Mexico, A.C. and MarVivo Corporation (collectively, “**MarVivo**”) to support the development of the Magdalena Bay Blue Carbon project, a mangrove forest and marine habitat conservation initiative in partnership with Mexico's National Commission for Protected Natural Areas (“**CONANP**”). Located in Magdalena Bay in Baja California Sur, Mexico, the project is being developed as a REDD+ initiative registered and validated under Verra’s VCS, the Climate, Community and Biodiversity (CCB) Standards, and Sustainable Development Verified Impact Standard (SD Vista).

Pursuant to the terms of the original transaction, the Company agreed to pay MarVivo Corporation an upfront deposit of up to \$6.0 million for the Magdalena Bay Blue Carbon Stream, to contribute to the initial project development costs. In July 2023, the Company amended the terms of the Magdalena Bay Blue Carbon Stream, resulting in a total upfront deposit of \$9.0 million (a \$3.0 million increase). The amendment provides that MarVivo is obligated to deliver the greater of 300,000 carbon credits or 30% 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 (under the original transaction, MarVivo was obligated to deliver the greater of 200,00 carbon credits or 20% of verified credits generated by the project on an annual basis). The Company is responsible for marketing and selling the carbon credits delivered to it under the stream.

Osisko acquired a participation right in 20% of the original Magdalena Bay Blue Carbon Stream, pursuant to which Osisko is obligated to fund 20% of the original \$6.0 million upfront deposit as such amounts are due (making the net upfront deposit for the Company under the amended Magdalena Bay Blue Carbon Stream \$7.8 million). Osisko did not elect to participate in the amendment to the original stream (as described above). The royalty payment to Osisko will be settled in cash based on a portion of the net cash flows calculated using the original terms of the Magdalena Bay Blue Carbon Stream, prior to the July 2023 amendment and restatement. For additional information related to Osisko’s Stream Participation Rights, see “*Material Contracts – Investor Rights Agreement*”.

### *Project Status, Ongoing Uncertainties and Risks*

As at December 31, 2024, \$3.0 million of the upfront deposit has been paid. Project activities started in December 2020, with MarVivo implementing various community initiatives, including free healthcare for children, environmental education, ecotourism training, and biodiversity monitoring. Drafting of the project description document and related technical work, including detailed carbon accounting, is also largely complete. However, project registration remains contingent on the transfer of concession rights from Mexico’s Secretariat of Environment and Natural Resources (“**SEMARNAT**”) to CONANP. The timing of SEMARNAT’s approval remains uncertain. If approved, the project was expected to generate approximately 22 million blue carbon credits over its 30-year lifespan.

On September 20, 2024, MarVivo delivered a notice of intent to abandon the project (the “**MarVivo Notice of Abandonment**”). Pursuant to the MarVivo Notice of Abandonment, MarVivo claims that the failure to transfer the concession rights from SEMARNAT to CONANP constitutes an event of force majeure and that it is no longer economical to develop or continue to operate the project. The Company’s position is that the attempt to abandon the project constitutes a breach of the terms of the Magdalena

Bay Blue Carbon Stream. The Company has notified MarVivo that it rejects the assertion that the failure to transfer the concession rights constitutes an event of force majeure and that if MarVivo abandons the project or takes steps to wind-down, this will amount to a breach of the terms of the Magdalena Bay Blue Carbon Stream. As a result of the MarVivo Notice of Abandonment and the assertions of MarVivo, the Company has classified the Magdalena Bay Blue Carbon Stream as “Expired”. As at December 31, 2024, the fair value of the Magdalena Bay Blue Carbon Stream is \$nil. The Company reserves all rights with respect to the agreements between the parties and intends to strictly enforce its legal and contractual rights under the Magdalena Bay Blue Carbon Stream, and will re-evaluate the fair value of the Magdalena Bay Blue Carbon Stream in the event there is a resolution reached concerning the Magdalena Bay Blue Carbon Conservation Project.

For a comprehensive discussion of the risks, assumptions and uncertainties that could further impact the Magdalena Bay Blue Carbon Conservation Project developments described herein, investors are urged to review the “Risk Factors” section below.

#### *Project Overview*

The Magdalena Bay Blue Carbon project is being developed by MarVivo in partnership with CONANP. The local communities of San Carlos (population of approximately 6,000) and Lopez Mateos (population of approximately 3,000) are also stakeholders involved in the project. Magdalena Bay is home to Baja's largest mangrove forest creating a diverse and unique ecosystem. It is known for its pristine habitat and is home to a large diversity of sharks, whales, and a variety of other species, including multiple listed as endangered. The Mexican State of Sinaloa has undergone significant deforestation of mangroves due to intensive shrimp farming and the Magdalena Bay Blue Carbon project intends to prevent the same from occurring in Magdalena Bay. The project management zone covers approximately 15,000 hectares and plans to limit deforestation, promote wildlife conservation, and generate unique benefits for the local communities. It is expected that the REDD+ framework will be used to define the project so that Blue Carbon credits may be generated to fund project activities and support the local communities.

The operational budget for the Magdalena Bay Blue Carbon project is expected to be funded through the revenue generated from the sale of carbon credits. In addition, a portion of the proceeds from the sale of the 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 project has also implemented a community science program with a focus on scaling biodiversity activities while also providing direct benefits in employment, training and reducing poverty by training fisherman and providing permits for them to conduct the monitoring activities. To date, the project has monitored four trigger (endangered) species: blue whale, grey whale, sea turtle and devil rays, some of which were previously unknown to exist in the area. The program identifies fishermen and provides scientific training and permits for them to conduct weekly monitoring surveys of the trigger species. Project partners, government partners, CONANP and local communities have a long-term commitment 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. The Magdalena Bay Blue Carbon project is expected to contribute to eight UN SDGs: Good Health and Wellbeing (3), Quality

Education (4), Gender Equality (5), Decent Work and Economic Growth (8), Climate Action (13), Life Below Water (14), Life on Land (15) and Partnership for the Goals. (17).

### **Cerrado Biome Stream**

The Company entered into a purchase and sale agreement dated September 8, 2021, as amended, (the “**Cerrado Biome Stream**”) with ERA Cerrado Assessoria e Projectos Ambientais Ltd (“**ERA**”) with respect to the Avoided Conversion Cerrado grouped project (“**Cerrado Biome**”), located in Brazil’s Cerrado biome.

Pursuant to the terms of the transaction, the Company agreed to pay ERA an upfront deposit of \$0.5 million for the Cerrado Biome Stream, which was used to fund the initial project development costs and scale-up activities. Under the terms of the Cerrado Biome Stream, ERA will deliver 100% of the carbon credits generated by the Cerrado Biome project, less any pre-existing delivery obligations, for a term of 30 years. The Company is responsible for marketing and selling the carbon credits delivered to it under the stream and makes ongoing delivery payments to ERA based on the net revenue received from the sale of each carbon credit.

#### *Project Status, Ongoing Uncertainties and Risks*

As at December 31, 2024, the full \$0.5 million upfront deposit has been paid.

The project was registered with Verra under project ID 2465 and has been developed as a grouped REDD+ VCS project. This structure allows new project areas, owned by new or existing landholders, to be added without requiring a full validation cycle for each addition. At the time of project registration, the project planned to expand the project to 80,000 hectares by incorporating more land parcels, and to generate approximately 13 million carbon credits over a 30-year project life. Enrollment of additional land parcels has been slower than anticipated, primarily due to declining demand and lower pricing for REDD+ carbon credits. As a result, the expected revenue from carbon credit sales has decreased, reducing the financial incentive for landholders to transition from agricultural production to REDD+ project enrollment. Currently, the project consists of two land parcels covering approximately 11,000 hectares, expected to generate 1.2 million carbon credits over 30 years; however, the actual number of carbon credits issued will depend on the project’s ability to attract additional landholders. Revenue shortfalls have been driven by delays in the Verra verification process and price volatility for credits issued by REDD+ projects. In January 2023, Verra issued 316,781 carbon credits from the project, covering vintages from 2017 to 2021, which were delivered to the Company. A second verification was initiated in July 2023, with the issuance of carbon credits for vintages from 2021 to 2023 originally expected in early 2025. However, this timeline will likely be delayed due to Verra’s processing times and an ongoing post-registration review of the VCS Joint Validation and Verification Report for the first monitoring period (dated November 16, 2022). Verra is conducting this review under Section 6 of the VCS Registration and Issuance Process. The findings identified by Verra were to be addressed by the VVB, and responses were submitted to Verra on March 28, 2025.

#### *Project Overview*

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.

Due to its grouped nature, there are very few incremental additional costs to expand the project. The cost to scale-up the project are expected to primarily consist of landholder outreach work, and legal/contracting costs to put the necessary legal documentation in place, as well as initial social and environmental mapping associated with Co-Benefits that the project generates in every additional property added. These operating costs are to be funded by ERA from the upfront deposit funds as well as revenue generated by the sale of carbon credits from the project. If the project is not able to add additional landholders, or at the rate expected, then this will impact the carbon credit revenue generating capability of the project. In addition, ERA provides a significant portion of its proceeds from the carbon credit sales to the participating landholders, as a financial incentive to continue the conservation of their lands.

A portion of future carbon revenues under the Cerrado Biome Stream will be used to support local communities, preserve the unique biodiversity of the region and promote regional development and landscape connectivity through green corridors and agroforestry systems. The project is currently undergoing validation and verification to achieve CCB Standards certification of the project's Co-Benefits, and this certification is expected to be applied to all future issuances of credits. Activities include environmental education and professional development, fire prevention, monitoring water quality and biodiversity preservation of the natural habitat of keystone species such as jaguars, tapirs, macaws, maned wolves, giant armadillos, and giant anteaters whose populations are threatened by agricultural expansions. Through these activities, the project expects to contribute to eight UN SDGs: No Poverty (1), Zero Hunger (2), Quality Education (4), Gender Equality (5), Decent Work and Economic Growth (8), Climate Action (13), Life on Land (15) and Partnerships for the Goals (17).

### **Waverly Biochar Stream and Royalty**

The Company has entered into a purchase and sale agreement dated May 11, 2022, which was amended and restated on July 25, 2023 and May 30, 2024 (the "**Waverly Biochar Stream**"), as well as a royalty agreement dated July 25, 2023, which was amended and restated on May 30, 2024 (the "**Waverly Biochar Royalty**") with Waverly RB SPE LLC ("**Waverly RB**"), a subsidiary of Restoration Bioproducts LLC. These agreements supported the development of a biochar production project in Waverly, Virginia, United States.

Under the original transaction terms, the Company agreed to pay an upfront deposit of \$1.35 million for the Waverly Biochar Stream. In July 2023, the agreement was amended, increasing the total upfront deposit to \$2.95 million (a \$1.6 million increase) while lowering the ongoing delivery payment. This funding supported the construction of the Biochar production facility under a revised budget, which accounted for new equipment purchases due to a modified construction plan, as well as cost increases in previously budgeted equipment and labour. Under the stream, Waverly RB will deliver 100% of the carbon

credits generated by the project for a term of 25 years, starting from the first delivery of carbon credits. The Company is responsible for marketing and selling the carbon credits and will make ongoing delivery payments to Waverly RB based on the net revenue received from their sale. In May 2024, the agreement was amended to accelerate the final milestone payments, which were originally contingent on registration and the first CORC issuance. The proceeds were used to fund equipment purchases, pay third party suppliers and deliver working capital to support the project's transition to commercial production.

In 2023, the Company announced an agreement to provide Microsoft with carbon credits from the Waverly Biochar Stream of up to 10,000 carbon credits per year. Under this agreement, the Company is committed to delivering a minimum quantity of credits on specified future dates. If the Company is unable to fulfill this commitment, Microsoft may request that credits be sourced from an alternative project of their choosing.

Additionally, the Company entered into the Waverly Biochar Royalty, granting Carbon Streaming a royalty on all revenue generated by the project (excluding carbon credit sales) over its 25-year life.

#### *Project Status, Ongoing Uncertainties and Risks*

As at December 31, 2024, the full \$2.95 million upfront deposit has been paid.

While construction of the facility began in December 2022, it experienced delays. Following the accelerated payment of the final milestone payments, the project reached mechanical completion and first biochar production in Q3 2024. However, additional technical challenges prevented continuous operation of the facility and have continued to delay full production capacity. The project is currently focused on securing additional funding to support commissioning, the initial facility audit, and the first output audit with Puro.earth. Verification was anticipated in Q3 2025, with first issuance of carbon credits to follow immediately thereafter, but is now expected to be delayed. If the project is able to achieve commercial product as planned, it is expected to remove over 261,000 tCO<sub>2</sub>e and generate an equivalent number of carbon credits, over its 25-year lifespan. The project is anticipated to be verified under Puro.earth.

#### *Project Overview*

The project involves the construction of a biochar production facility adjacent to a wood pellet manufacturer in Waverly, Virginia. Using pyrolysis technology, the facility will convert biomass into biochar, a stable form of carbon that significantly slows CO<sub>2</sub> release, making it an effective greenhouse gas sequestration tool. The plant will also produce bio-oil and pyroligneous acid. Each dry metric tonne of Biochar produced will result in a certain number of metric tonnes of emission reductions with a defined permanence period.

The majority of Biochar produced will be used in agricultural applications to enhance soil quality by improving water and nutrient retention while reducing ammonia levels. These benefits have the potential to increase crop yields and farm revenues. Additionally, the project is expected to stimulate additional investment in Virginia's agriculture, timber and lumber industries, and create local job opportunities.

## Community Carbon Stream and Cookstove & Water Purification Portfolio

The Company has entered into a purchase and sale agreement on August 16, 2022, which was amended on May 8, 2024 (the “**Community Carbon Stream**”) with Community Carbon and UpEnergy Group (“**UpEnergy**”), to bring fuel-efficient cookstoves and safe water solutions to millions of households in eastern and southern Africa under a grouped project model.

Pursuant to the terms of the transaction, the Company agreed to pay an upfront deposit of \$20.0 million for the Community Carbon Stream. Under the terms of the agreement, Carbon Streaming receives a portion of the credits generated from a diversified portfolio of three cookstove projects and two safe water projects across Uganda, Mozambique, Tanzania, Malawi. In addition, the safe water project in Zambia was discontinued and is no longer deploying units but is still issuing credits from previous deployments.

On May 8, 2024, the Company amended the terms of the Community Carbon Stream resulting in, among other things, revising the Company's economic interest to provide for a tiered streaming structure which is adjusted as certain return on invested capital thresholds are achieved, and adjusting the portfolio composition and milestone payments to focus on the five strongest projects, three cookstove projects in Mozambique, Tanzania and Uganda and two water purification projects in Malawi and Uganda. Pursuant to this amendment, the term of the stream will end on December 31, 2040, unless the project is able to deploy cookstoves and water purification devices ahead of the projected schedule. In addition, the project will direct funding to digital monitoring, reporting and verification and other project quality improvement measures. The Company and UpEnergy jointly market and sell the carbon credits issued from the Community Carbon Project Portfolio.

### *Project Status, Ongoing Uncertainties and Risks*

As at December 31, 2024, \$16.3 million of the upfront deposit had been paid.

Following the May 2024 amendment, the projects were expected to reduce up to approximately 30 million tCO<sub>2</sub>e of emissions over the 15 to 21 year lives of the projects and generate an equivalent number of carbon credits. However, emissions reductions are now expected to be materially lower due to methodological changes and declining prices, which have reduced forecasted. Concerns over emissions reduction overestimation, additionality, and verification challenges have raised questions about cookstove credit quality, prompting methodological revisions as the market adapts to evolving buyer expectations. While these changes aim to enhance credibility, they have also reduced demand and driven down prices. In 2024, the projects under the Community Carbon Stream issued over 1,600,000 carbon credits from the Mozambique cookstove project, the Uganda cookstove project, the Tanzania cookstove project, and the Uganda household safe water project.

In the second quarter of 2024, Community Carbon announced that it secured a letter of authorization from the Government of Tanzania for its Tanzania cookstove project (VCS 2676), representing Tanzania's first-ever carbon credits authorized for corresponding adjustments under Article 6 of the Paris Agreement. Carbon credits from the Tanzania cookstove project are now tagged as Article 6 Authorized by Verra and are eligible to be used for Nationally Determined Contributions (“**NDC**”) and other purposes. Governments, corporations and other entities can now all benefit from purchasing these credits.

Community Carbon is assessing potential modifications to the methodology for the Tanzania cookstove project to align with a framework that would generate CORSIA-eligible credits. However, achieving full CORSIA eligibility requires additional steps, including potential updates to verification methodologies, regulatory approvals, and alignment with evolving international standards. The process remains complex and subject to further developments, and there is still uncertainty regarding CORSIA eligibility.

#### *Project Overview*

Emission reductions generated by the projects are independently verified under the Gold Standard (and for the Tanzania cookstove project, under Verra). The projects under the Community Carbon Stream, include: the Mozambique cookstove project registered with Gold Standard under project identification 11211, the Uganda cookstove project registered under two project identifications 10967 and 12119, the Tanzania cookstove project registered with Verra under project identification 2676, the Uganda household safe water project registered with Gold Standard under project identification 10968, the Malawi institutional safe water project registered with Gold Standard under project identification 11245 and, and the Zambia institutional safe water project registered with Gold Standard under project identification.

Community Carbon works with micro-entrepreneurs, non-governmental organizations, financial institutions and local distribution partners to provide households with the technology and ensure the “last-mile” distribution and installation of the technologies to the recipients.

The projects are also expected to generate Co-Benefits, through job creation via local manufacturing, avoided wood and fuel costs, and local tree planting in the communities. The distribution of fuel-efficient cookstoves and water purification devices to millions is expected to help reduce emissions, improve health outcomes and reduce deforestation and degradation by protecting forests from illegal charcoal and wood harvesting. In addition, through the local manufacturing of the fuel-efficient cookstove devices, the cookstove projects aim to create hundreds of direct and indirect jobs per country and improve the quality of life of women and girls in particular, as they are disproportionately impacted by climate change due to their typical responsibility for household chores, particularly cooking and the fetching of water and related energy sources. Four projects are registered under Gold Standard which verifies Co-Benefits. The remaining project which is registered under Verra plans to certify Co-Benefits under the SD VISTA Standard. The projects are expected to contribute to nine UN SDGs: No Poverty (1), Good Health and Well Being (3), Gender Equality (5), Clean Water and Sanitation (6) (safe water project only), Affordable and Clean Energy (7) (cookstove projects only), Decent Work and Economic Growth (8), Responsible Production and Consumption (12), Climate Action (13) and Life on Land (15).

In connection with entering into the Community Carbon Stream, Community Carbon created an impact fund (the “**Impact Fund**”) to support additional community programs. The Impact Fund is jointly funded by Community Carbon and Carbon Streaming from a portion of the carbon credit sales revenue from the projects over the life of the Community Carbon Stream. The Impact Fund supports initiatives dedicated to the education and empowerment of women and girls. To accelerate the Impact Fund’s work, Carbon Streaming made an initial advance of \$375,000 to the fund. The first organizations to receive funding from the Impact Fund were Street Child and Advancing Girls’ Education in Africa (“**AGE Africa**”). An initial disbursement was made to each organization in May 2023 and subsequent donations were made in 2024.

The funds disbursed to Street Child are being used by the organization to support 4,860 children in the Kyangwali refugee settlement in Uganda to remain in mainstream education. The funds disbursed to AGE Africa are being used to educate girls in Malawi and to empower them and provide the knowledge and skills to become leaders in climate change response at local and national levels.

### **Nalgonda Rice Farming Stream**

The Company entered into a purchase and sale agreement dated September 28, 2022, which was amended on August 9, 2023 and on January 22, 2024 (the “**Nalgonda Rice Farming Stream**”) with Core CarbonX Pte. Ltd. and its services provider, Core CarbonX Solutions Private Limited (collectively, “**Core CarbonX**”), to develop its Nalgonda Rice Farming methane avoidance grouped project located in the Nalgonda District, Telangana State, India.

Pursuant to the terms of the transaction, the Company initially agreed to pay Core CarbonX an upfront deposit of \$3.3 million for the Nalgonda Rice Farming Stream. Pursuant to the first amendment, the total committed upfront deposit was decreased to \$2.44 million and the ongoing delivery payments were increased. The second amendment provides, among other things, that Core CarbonX use a portion of the second installment of the upfront deposit to fund pre-payments to farmers, and that Core CarbonX implement Alternate Wetting and Drying (“**AWD**”) in rice fields covering 62,000 hectares (an increase from the previous scope covering 55,000 hectares). Under the Nalgonda Rice Farming Stream, Core CarbonX will deliver 100% of the carbon credits generated by the project to Carbon Streaming for a term of seven years. The Company is responsible for marketing and selling the carbon credits delivered to it under the stream and makes ongoing delivery payments to Core CarbonX based on the net revenue received from the sale of each carbon credit.

#### *Project Status, Ongoing Uncertainties and Risks*

As at December 31, 2024, \$1.95 million of the upfront deposit had been paid.

In Q4 2024, the Company delivered a notice to Core CarbonX that an event of default occurred and is continuing due to the failure of Core CarbonX to reach development completion prior to June 30, 2024. While no further action has been taken at this time, the Company reserves all rights under its agreements with Core CarbonX.

The project was registered with Verra on February 10, 2025, using the UNFCCC Clean Development Mechanism Methodology AMS-III.AU: Methane emission reduction by adjusted water management practice in rice cultivation in the VCS program (“**AMS-III.AU**”). Core CarbonX initially submitted the project for registration and first validation with Verra in September 2023; however, registration was delayed when Verra temporarily inactivated AMS-III.AU as part of a broader review of validation and verification quality and began developing a revised rice-specific methodology to replace AMS-III.AU. During its review, Verra determined that certain projects identified as having quality issues with validations and/or verifications would remain on hold, but Core CarbonX’s projects, including the Nalgonda Rice Farming project were approved for registration under AMS-III.AU.

Verra released the new VCS Methodology VM0051 (Improved Management in Rice Production Systems v1.0) on February 27, 2025. The project plans to complete verification of its first monitoring period under



AMS-III.AU before transitioning to VCS Methodology VM0051 for the second monitoring period. However, the project has already applied the guidelines required under the VCS Methodology VM0051. At this time, it is not known how the transition to the new methodology will impact the project, if at all. If the project proceeds as planned, the project is expected to reduce approximately 2.7 million tCO<sub>2</sub>e emissions and generate an equivalent number of carbon credits over its seven-year project life. All GHG emission reductions are generated through methane avoidance.

As at December 31, 2024, approximately 32,000 landholders were enrolled in the project, covering 36,548 hectares of farmland. Enrollment remains ongoing, with a target of expanding to approximately 62,000 hectares. However, progress has been slower than expected due to delays in Vera's review process and registration delays, which have also postponed farmer compensation and, in turn, affected enrollment.

In April 2024, CarbonFarming Technology SAS was engaged to pilot a satellite- and artificial intelligence-backed monitoring, reporting, and verification (MRV) solution for the two crop seasons in 2024. The MRV solution is designed to detect a broad range of farming practices, quantify emissions with high accuracy, enable near-real-time monitoring at scale, and enhance the marketability and potential value of carbon credits issued. The project was also selected by Verra to participate in its remote sensing analysis pilot as part of the development process for VM0051.

#### *Project Overview*

The project partners with rice farmers to reduce GHG emissions by improving the farmers' rice cultivation practices, including Alternate Wetting and Drying (AWD) techniques. AWD replaces the conventional method of continuous flooding by optimizing irrigational schedules, thereby reducing methane emissions. As part of the project, Core CarbonX will install field water tubes to monitor water levels, helping farmers manage irrigation more efficiently. Water usage is expected to decrease by 20-30%, reducing associated energy consumption, and GHG emissions are estimated to decrease by up to 50%. Participating farmers receive compensation from Core CarbonX through a share of the net proceeds from carbon credit sales.

Although the project is not currently pursuing accreditation for Co-Benefits from a Standard, it is expected to contribute to poverty reduction and food security by improving crop yields through enhanced farming techniques, creating job opportunities in agricultural communities, and utilizing a public-private partnership to transfer monitoring technology from research to field implementation.

The project is not currently seeking accreditation of Co-Benefits from a standard but has identified the SDGs that the project expects to contribute to including Zero Hunger (2), Decent Work and Economic Growth (8), Responsible Consumption and Production (12), Climate Action (13) and Partnership for the Goals (17).

#### **Enfield Biochar Stream and Royalty**

On November 1, 2022, the Company entered into a purchase and sale agreement (the "**Enfield Biochar Stream**") and a royalty agreement (the "**Enfield Biochar Royalty**") with Standard Biocarbon Corporation ("**Standard Biocarbon**") to support the development of its Biochar project in Enfield, Maine, United States.

Under the Enfield Biochar Stream, the Company committed to an upfront deposit of \$1.3 million to support the construction of the Biochar facility. In return, Standard Biocarbon will deliver 100% of the carbon credits generated by the project for a 30-year term. The Company will market and sell these carbon credits, making ongoing delivery payments to Standard Biocarbon based on the net revenue received from each sale.

Additionally, under the Enfield Biochar Royalty, the Company will receive a revenue-based royalty on Biochar sales.

#### *Project Status, Ongoing Uncertainties and Risks*

As at December 31, 2024, the Company had paid \$1.0 million of the upfront deposit

In April 2024, Standard Biocarbon achieved its first biochar production. However, technical challenges with the carbonization systems ("**PYREG Machines**") have delayed the commissioning process. Standard Biocarbon is working with PYREG GmbH ("**PYREG**"), the engineer and builder of the PYREG Machines to resolve these issues as it scales toward full operating capacity. The project continues to collect operational data required for a facility audit and official registration with the Puro.earth carbon credit standard. Currently, the project is on care and maintenance while seeking additional funding to support commissioning, the initial facility audit, and the first output audit.

Over its 30-year life, the project is expected to remove approximately 90,000 tCO<sub>2</sub>e emissions, generate an equivalent number of carbon credits, and produce approximately 250,000 yd<sup>3</sup> of Biochar. Verification of the project is expected through Puro.earth, but due to ongoing delays, the Company cannot provide guidance on the expected verification date or the anticipated number of CORCs.

#### *Project Overview*

The Biochar facility relies on PYREG Machines to convert woodchips and sawdust from the Pleasant River Lumber Co. mill into premium-quality Biochar. Each dry metric tonne of Biochar produced will result in a certain number of metric tonnes of emission removals with a defined permanence period. Project operations are expected to be funded through revenue from carbon credit sales and biochar production.

#### **Azuero Reforestation Stream**

On May 21, 2024, the Company, Microsoft Corporation ("**Microsoft**") and Rubicon Carbon Capital LLC ("**Rubicon**") entered into a carbon credit streaming agreement, as amended on November 23, 2024 (the "**Azuero Reforestation Stream**") with Azuero Reforestation Colectiva, S.A. ("**ARC**"), a wholly owned subsidiary of Ponterra Ltd. ("**Ponterra**"), for a reforestation project located on Azuero Province, Los Santos Province, Republic of Panama. Under the terms of the Azuero Reforestation Stream, ARC will deliver 13.5% of the carbon credits created by the project to the Company. Additionally, Microsoft has entered into an offtake agreement to purchase 100% of the Company's carbon credits delivered under the terms of the Azuero Reforestation Stream through to 2040. Carbon Streaming will also act as the sole marketer of ARC's carbon credits not already committed to the co-investors under the Azuero Reforestation Stream. Under the terms of the Azuero Reforestation Stream, Carbon Streaming, alongside Rubicon and Microsoft, will fund 100% of project costs over seven years. The Company agreed to make an upfront deposit of up

to \$7.1 million with \$0.3 million paid on closing, and additional milestone payments made as the project achieves planting and sapling survival milestones, and will receive 13.5% of total credits, which is expected to be approximately 438,000 carbon credits through 2052.

#### *Project Status, Ongoing Uncertainties and Risks*

As at December 31, 2024, \$1.07 million of the upfront deposit had been paid. The Company has further invested an additional \$164 thousand as per the contractual obligations since December 31, 2024.

The project is expected to remove 3.24 million tonnes of carbon dioxide equivalent and generate an equivalent number of carbon credits under Verra's newest Afforestation, Reforestation & Revegetation (ARR) methodology, VM0047, with initial carbon credit issuance expected in 2027.

#### *Project Overview*

The project is targeting restoration of over 10,000 hectares of degraded tropical forest on the Azuero Peninsula in Panama that has been converted to low-density cattle ranchland over the last century. Ponterra is actively restoring this degraded land with over 75 native tree species, using a vertically integrated reforestation strategy including nurseries, seedbanks, and deep community involvement. Over 100 local landholders are expected to participate in and earn an income from the reforestation activities through long-term annual payments and a share of carbon credit sales. Ponterra expects to plant over six million trees and create more than 300 permanent local jobs in the local community. The project has been designed to target the following UN Sustainable Development Goals: 1 (No Poverty), 4 (Quality Education), 8 (Decent Work and Economic Growth), 13 (Climate Action), 15 (Life on Land), and 17 (Partnerships for the Goals). Given these strong social and environmental co-benefits, Verra has selected the Project to participate in their new SD VSta Nature Framework.

#### **Sheep Creek Reforestation Stream**

The Company entered into a purchase and sale agreement dated May 9, 2023, which was amended on February 7, 2024 (the "**Sheep Creek Reforestation Stream**") with Mast Reforestation SPV I, LLC ("**Mast**") for a post-wildfire reforestation project at the Sheep Creek Ranch in Montana, United States.

Pursuant to the terms of the transaction, the Company agreed to pay an upfront deposit of \$3.53 million (originally \$3.78 million) for the Sheep Creek Reforestation Stream. Under the terms of the agreement, Carbon Streaming receives 100% of the carbon removal credits created by the project, referred to as Forecasted Mitigation Units ("**FMUs**"), less any pre-committed FMUs. The Company is responsible for marketing and selling the FMUs delivered to it under the stream and for making ongoing delivery payments to Mast for each FMU sold, which will increase according to a tiered streaming structure dependent on return on invested capital thresholds. The amended terms of the Sheep Creek Reforestation Stream include additional hectares of the Sheep Creek Ranch and a reduction of the upfront deposit amount from \$3.78 million to \$3.53 million, as a result of Mast having received a grant.

#### *Project Status, Ongoing Uncertainties and Risks*

As at December 31, 2024, \$2.20 million of the upfront deposit has been paid.

On January 22, 2025, the Company received a Notice of Adverse Impact from Mast and the parent company of Mast, Droneseed Co. d/b/a Mast Reforestation under the Sheep Creek Reforestation Stream pursuant to which, among other things, Mast advised the Company that the Sheep Creek project has experienced significantly higher than expected mortality rates and that the surviving seedlings had exhibited slower than expected growth rates. As a result, Mast indicated to the Company that it no longer expects to deliver the agreed-upon 286,229 FMUs to the Company under the Sheep Creek Reforestation Stream, as Mast no longer considers the existing Sheep Creek project plan and budget to be viable. The Company has formally responded to the Notice of Adverse Impact and requested that Mast respond to the Company's significant concerns regarding, among other things, the timing of the delivery of the Notice of Adverse Impact, and the characterization of the cause of the adverse impact. The Company is continuing to evaluate all legal avenues available under the Sheep Creek Reforestation Stream. As a result, the Company no longer anticipates generating cash flow from the Sheep Creek Reforestation Stream and has determined its fair value to be \$nil as of December 31, 2024.

#### *Project Overview*

The project was expected to restore more than 2,600 acres at Sheep Creek Ranch that experienced a high-severity burn from the 2021 Harris Mountain Fire, removing approximately 285,000 tCO<sub>2</sub>e over the life of the project and generating an equivalent number of FMUs.

#### **Feather River Reforestation Stream**

The Company entered into a purchase and sale agreement dated September 14, 2023 (the "**Feather River Reforestation Stream**") with Mast for a post-wildfire reforestation project at the Feather River Dome property in California, United States.

Pursuant to the terms of the transaction, the Company agreed to pay an upfront deposit of \$0.72 million for the Feather River Reforestation Stream. The upfront deposit is expected to be used for on-the-ground project implementation activities, including site preparation and planting. Under the terms of the Feather River Reforestation Stream, Carbon Streaming receives 100% of the FMUs created by the project, less any pre-committed FMUs. The Company is responsible for marketing and selling the FMUs delivered to it under the Feather River Reforestation Stream for making ongoing delivery payments to Mast for each FMU sold, which will increase according to a tiered streaming structure dependent on return on invested capital thresholds.

#### *Project Status, Ongoing Uncertainties and Risks*

As at December 31, 2024, \$0.65 million of the upfront deposit had been paid.

The Feather River Reforestation project is expected to remove a total of approximately 50,000 tCO<sub>2</sub>e and generate an equivalent number of FMUs. The FMUs are expected to be independently confirmed by a CAR-approved confirmation body, with FMU issuance is expected in 2025. In 2024, carbon credit market demand has generally shifted towards lower risk carbon credits. FMUs, which are designed to facilitate forward financing, inherently carry higher risk, leading to supply that has exceeded demand. When the Company first entered into the streaming agreement, it anticipated pre-selling all FMUs from the Feather River Reforestation Project. However, due to the challenges outlined above, the Company has been

unable to secure buyers for these FMUs. Given the uncertainties surrounding FMU sales, the Company has determined the fair value of the Feather River Reforestation Stream to be \$nil as of December 31, 2024.

#### *Project Overview*

The project, located in Butte County, California, is expected to restore approximately 168 acres at the Feather River Dome property that experienced a high-severity burn from the 2020 Bear Mountain Fire, removing approximately 50,000 tCO<sub>2</sub>e over the project life and generating an equivalent number of FMUs

The Feather River Dome property is significant for its high conservation value, providing habitat for local fauna such as black bear and deer, in addition to providing an important water source for the Sacramento Valley.

#### **Baccala Ranch Reforestation Stream**

The Company has entered into a purchase and sale agreement dated February 7, 2024 (the “**Baccala Ranch Reforestation Stream**”) with Mast for a post-wildfire reforestation project in California, United States. On March 27, 2025, Mast delivered the Company a notice of termination of the Baccala Ranch Reforestation Stream and the Baccala Ranch project, thereby confirming it will forego any plantings. As at December 31, 2024, the Company has not advanced any funds for the Baccala project and the closing of the Baccala Ranch Reforestation Stream remained subject to customary closing conditions.

#### **Bonobo Peace Forest Royalty**

On September 8, 2022, the Company and the Bonobo Conservation Initiative (“**BCI**”) entered into a royalty agreement, subsequently amended and restated on January 19, 2023, on February 8, 2023, on February 10, 2023, and on August 25, 2023 (the “**Bonobo Peace Forest Royalty**”). The agreement covers carbon credit revenues generated from the Kokolopori Bonobo Peace Forest Grouped REDD Project (Verra ID 3575) and the Sankuru Peace Forest Grouped REDD Project (Verra ID 3592) (the “**Bonobo Peace Forest Projects**”) located in the Democratic Republic of the Congo (the “**DRC**”).

Under the Bonobo Peace Forest Royalty, the Company paid \$2.48 million to BCI and is entitled to receive a 6.25% royalty on carbon credit revenues from the Bonobo Peace Forest Projects. The royalty term extends for 30 years from the date of first royalty payment to the Company. Payments were advanced in multiple instalments under the agreement, with proceeds funding pre-feasibility and feasibility studies, project description drafting and related technical work, and initial efforts to document free, prior and informed consent with local communities.

#### *Project Status, Ongoing Uncertainties and Risks*

The royalty agreement was originally intended to convert into a stream agreement upon successful validation and verification of the project. However, due to political instability in the DRC, weakened market sentiment for REDD+ projects, and a significant decline in demand for REDD+ carbon credits, Carbon Streaming decided to halt further investment. The Company currently has no plans to proceed with a stream agreement.

The project has been seeking additional investment to support a renewed technical effort for registration under the new Verra VM0048 methodology. Given the material uncertainty surrounding fundraising for REDD+ project development, the early-stage nature of the project's technical development, and persistent weakness in demand for REDD+ carbon credits, the Company has determined the fair value of the Bonobo Peace Forest Royalty to be \$nil as at December 31, 2024.

#### *Project Overview*

The Bonobo Peace Forest Projects cover a total of 2,611,831 hectares, located within the Sankuru Nature Reserve and the Kokolopori Bonobo Reserve. The projects are also expected to generate multiple social and economic benefits for local communities and help spearhead biodiversity conservation measures.

#### **Amazon Portfolio Royalties**

On September 8, 2022 the Company and Future Carbon International LLC, the international division of the Future Carbon Group ("**Future Carbon**") entered into a royalty agreement (the "**Original Amazon Royalty**"), covering four REDD projects located in the Brazilian Amazon, registered with Verra and certified under the SocialCARBON co-benefit standard: the Rio Madeira Grouped REDD+ Project (Verra ID 2878), the Yellow Ipê Grouped REDD Project (Verra ID 2373), the ABC Norte REDD Project (Verra ID 2558) and the Gairova REDD Project (Verra ID 2870) (collectively, the "**Amazon Portfolio**"). Under the agreement, the Company paid a purchase price of \$3.0 million to Future Carbon in exchange for a 5% royalty on carbon credit revenues generated from Future Carbon's interest in the Amazon Portfolio. The royalty term extends for 30 years from the date of first royalty payment, with provisions for termination if the parties enter into a streaming agreement. As at December 31, 2024, the parties are no longer negotiating a streaming agreement.

Following a corporate reorganization, Future Carbon assigned its interests in the Yellow Ipe, ABC Norte and Gairova projects (collectively the "**Ecologica Portfolio**") to Ecologica Assessoria Ltda. and its affiliates (collectively "**Ecologica**"), and retained the Rio Madeira Project, (the "**Future Carbon Portfolio**"). To reflect this restructuring, the Original Amazon Royalty was replaced on April 17, 2024, by two new royalty agreements: one between the Company and Future Carbon for the Future Carbon Portfolio (the "**FC Amazon Royalty**"), and another between the Company and Ecologica on the Ecologica Portfolio (the "**Ecologica Amazon Royalty**"). Each agreement carried a purchase price of \$1.5 million, maintaining the original \$3.0 million investment. No additional funds were advanced by the Company as part of Future Carbon's reorganization.

Under the FC Amazon Royalty, the Company receives a 7% royalty on carbon credit revenues generated from Future Carbon's interest in the Future Carbon Portfolio. Under the Ecologica Amazon Royalty, the Company receives a 4.25% royalty on carbon credit revenues generated from Ecologica's interest in the Ecologica Portfolio. Both royalties have a 30-year term from the date of the first royalty payment. Under each of the FC Amazon Royalty and the Ecologica Amazon Royalty a minimum annual payment is required to be paid to Carbon Streaming for the first seven years of the term.

### *Project Status, Ongoing Uncertainties and Risks*

Verra's transition from legacy project-based REDD+ methodologies to the new jurisdictional approach under VM0048 has introduced significant uncertainty for avoided unplanned deforestation projects, including those within the Amazon Portfolio. Delays in registration, validation, and verification have led to corresponding delays in carbon credit issuances, while changes in carbon accounting standards have substantially reduced projected credit volumes for many projects, rendering some unviable.

Despite these challenges, the Rio Madeira project has issued over 1.75 million carbon credits to date and anticipates an additional 1.2 million credits to be issued later this year. The ABC Norte project received approval for its second monitoring report, covering approximately 680,000 carbon credits, in Q1 2025. Verra continues its review of the second monitoring report for the Yellow Ipe project, and the Gairova project is addressing a fourth round of findings related to its initial validation and verification. All four projects are expected to experience material reductions in carbon credit volumes as the transition to VM0048 is finalized.

### *Project Overview*

The four Amazon Portfolio projects are located in the Amazon rainforest in the states of Amazonas, Mato Grosso, Pará and Rondônia, which are deemed at high risk of deforestation. Project activities are expected to deliver multiple co-benefits to local communities while protecting forests and biodiversity.

## Other Agreements & Investments

### *Mast Pipeline Agreement*

On May 10, 2023, the Company entered into a pipeline streaming framework agreement (the “**Pipeline Agreement**”) with Mast and the parent company of Mast, Droneseed Co. d/b/a Mast Reforestation pursuant to which, the Company has agreed to fund up to \$15.0 million of projects from Mast’s pipeline of post-wildfire reforestation projects across the Western United States.

The Pipeline Agreement provides that the parties will enter into a separate streaming agreement for each project, under which Carbon Streaming will make an upfront deposit in exchange for receiving up to 100% of the FMUs generated from the project and make ongoing payments to Mast for each FMU that is sold by the Company.

The projects to be funded pursuant to the Pipeline Agreement are expected to cover more than 9,000 acres of land in the Western United States severely impacted by wildfires and are expected to remove a total of approximately 1 million tCO<sub>2</sub>e and generate an equivalent number of FMUs.

As at December 31, 2024, the Company had entered three streams under the Pipeline Agreement: the Sheep Creek Reforestation Stream, the Feather River Reforestation Stream and the Baccala Ranch Reforestation Stream. On March 27, 2025, Mast delivered the Company a notice of termination of the Baccala Ranch Reforestation Stream and the Baccala Ranch project, thereby confirming it will forego any plantings. For details regarding the stream agreements under the Pipeline Agreement see “ - *Overview of the Company’s Carbon Credit Projects*”.

The projects funded pursuant to the Pipeline Agreement are currently expected to be registered under CAR's Climate Forward program. This program is designed to catalyze innovative, creative emission reduction projects that require upfront investments by generating FMUs using a methodology specifically intended for forward financing. FMUs are issued approximately one year after planting to ensure seedling survival beyond the highest mortality period, and can be converted to Climate Reserve Tonnes with post monitoring and verification, or retired to mitigate future anticipated emissions.

Concurrent with the entering into of the Pipeline Agreement, the Company invested \$2.0 million into Droneseed Co. d/b/a Mast Reforestation through a convertible note (the "**Convertible Note**"). In October 2023, upon the execution of a qualifying financing event, the Convertible Note converted into preferred shares of the parent company of Mast, resulting in the Company being issued 1.3 million preferred shares of Droneseed Co. d/b/a Mast Reforestation.

#### *InfiniteEARTH Strategic Alliance Agreement*

Concurrent with entering into the Rimba Raya Stream, the Company, InfiniteEARTH Limited and the Founders entered into the SAA. Under the SAA, the Founders have agreed to provide consulting services to the Company, which will consist of carbon project advisory services, carbon credit marketing and sales services, as well as assisting the Company with due diligence initiatives on new potential carbon opportunities. In addition, the SAA provides Carbon Streaming with a right of first refusal on any future carbon credit 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 Limited and the Founders during the initial ten (10) year term. The SAA also includes certain other covenants in favour of the Company, including a covenant whereby the Founders agreed for a five-year period to vote the Founders' Common Shares in accordance with the Company's recommendations in respect of the election of directors, the appointment of the auditor, and any merger, business combination or similar change of control transaction.

Pursuant to the terms of the SAA, as consideration for the consulting services and right of first refusal on future projects, the Company made an upfront cash investment of \$4.0 million to InfiniteEARTH Limited and issued 4,539,180 Common Shares on a post-Consolidation basis (the "**Founders' Common Shares**") to the Founders for entering into the SAA. A portion of the Founders' Common Shares are currently being held by the Company as security to guarantee the obligations of InfiniteEARTH under the Rimba Raya Stream. While a portion of the Founders' Common Shares have been released from escrow, 3.5 million Founder's Common Shares continue to be voluntarily held in escrow, until such time as carbon credits are delivered under the Rimba Raya Stream. 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. For details regarding the claims see "*Legal Proceedings and Regulatory Actions.*"

#### *Carbon Fund Advisors*

Until the second quarter of 2024, Carbon Streaming held a 50% equity interest in Carbon Fund Advisors, which was the fund sponsor of the Carbon Strategy ETF, an actively managed thematic ETF that aims to



provide investors with exposure to the growing compliance markets. Carbon Fund Advisors ceased being the fund sponsor in December 2023 and was dissolved in May 2024.

#### *Blue Dot Carbon*

On July 3, 2024, the Company completed the acquisition of Blue Dot, a private company with an equity investment in a carbon project developer and certain option rights to invest in future carbon projects of Blue Dot's partners. On closing, the Company issued to the shareholders of Blue Dot an aggregate of 4,559,333 Common Shares of the Company.

### Other Information Relating to the Company's Business

#### **Carbon Market Considerations**

At the present time, all carbon credits expected to be generated from projects in which the Company has a stream or royalty are expected to be sold into the voluntary market (and not the compliance market). Carbon markets, particularly the voluntary markets, are still evolving and have experienced high levels of volume volatility.

The voluntary carbon market, across all credits, has seen significant decrease in value of credits sold, volumes, bids and transactions. The first quarter of 2025 has seen continued decrease in credit pricing and is expected for the remainder of 2025. While the Company aims to increase cash flow generation through the sale of carbon credits from several streaming agreements over the next year, there remains ongoing uncertainty regarding the evolving nature of carbon markets, including potential registry delays, project-specific issues, and methodology-related risks, in addition to impacts the industry may face as a result of general economic, political and regulatory conditions. See the description under the heading "*Industry Overview*" and "*Risk Factors – Carbon Credit Industry Risks*".

#### **Emerging Market Considerations**

The Company has previously entered into streaming and royalty agreements in respect of carbon credit projects located in Indonesia, Africa (the DRC, Malawi, Mozambique, Tanzania, Uganda and Zambia), India, Mexico, Panama and Brazil, each of which may be considered to be an emerging market jurisdiction, and intends to continue to evaluate and potentially make future investments in other carbon credit projects located and operating in emerging market jurisdictions. However, the operations of the Company are predominantly conducted in Canada, and the minute books and corporate records of the Company are maintained at the Company's registered and head offices in Vancouver, British Columbia, Canada.

A number of the Company's directors have significant experience as a senior manager, an executive officer, a director and/or an advisor to/of entities operating in emerging market jurisdictions. The Company seeks regular updates from project partners regarding the status of its projects including with respect to legal, regulatory, social, political and government issues. In addition, the Company retains local counsel and advisors to provide specific advice with respect to local laws and regulations. For additional information associated with the risks of investing in carbon credit streams and royalties with counterparties and projects located in emerging market jurisdictions, see "*Risk Factors – Carbon Credit Industry Risks – Foreign operation and political risk*".

## Employees

As of the date of this AIF, the Company had five (5) full time employees and one part time employee.

## Specialized Skills and Knowledge

The Company's business requires professionals with skills and knowledge in diverse fields of expertise. The management team and the Company's board of directors (the "**Board**") have backgrounds in the areas of carbon markets, forest management and development, carbon credit projects, as well as extensive relationships and networks in their respective industries. As the carbon markets continue to grow and evolve and the Company implements its strategy, the Company will continue to rely on its personnel. See "*Risk Factors – Dependence upon Key Management*".

## Environmental and Social Policies

The Company has adopted a set of corporate policies, including a Code of Business Conduct and Ethics (the "**Code**"). A copy of the Code can be found on the Company's website at [www.carbonstreaming.com](http://www.carbonstreaming.com). The Company is committed to upholding the values set out in its Code and conducting business fairly, with integrity and in compliance with applicable laws. It also has an Anti-Bribery and Anti-Corruption Policy and an Anti-Money Laundering/ Anti-Terrorist Financing/ Sanctions Policy to reinforce the Code.

In addition, the Company has an environmental, social and governance policy, which articulates the environmental, social and governance standards for management that is central to its approach to allocation of capital, focusing on projects that have a positive impact on the environment, local communities, and biodiversity.

The Board currently consists of four directors, a majority of which are independent. See "*Directors and Officers*". The Board currently has three committees: the Audit Committee, the Compensation Committee and the Corporate Governance, Nominating & Sustainability Committee (the "**CGNSC**"). The Board, directly and through its standing committees, works with management to develop fundamental policies and establish strategic objectives that preserve and enhance the sustainability of the business and value of the Company. The Board, through the CGNSC, has oversight of environmental, social and governance matters including evaluating and assessing the performance and effectiveness of the Company's environmental, social and governance policies and procedures, overseeing the Company's charitable donation and community involvement initiatives, reviewing the Company's strategies related to environmental, social and governance disclosure, reviewing the corporate governance guidelines and principles, and reviewing the structure, composition and mandate of the Board and its committees.

## 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

In 2024, the Company built on the previous restructuring initiatives first announced in 2023 which included personnel reductions, a sub-lease of the Toronto office space and other expense optimizations, and a decrease in the size of the Board and a strategic alternatives review process (collectively, the “**Restructuring**”). The Restructuring efforts were accelerated and expanded starting in Q3 2024 and included changes to the Company’s senior management and the Board, the elimination of cash-settled director’s fees to the Board and the termination of certain consulting contracts. The Company conducted a review of all service contracts and significantly reduced personnel receiving full-time salaries — including employees, consultants, and directors — from 24 at the start of 2024 to eight (8) by year-end, with a further decrease to four (4) full time employees by January 2025. The Chief Executive Officer is not collecting a salary, the Chief Financial Officer is receiving a part-time salary and the Company has eliminated cash-settled director’s fees to its Board.

Carbon Streaming is currently focused on maximizing value from the existing portfolio of investments and pursuing all options to achieve that goal. The Company continues to evaluate strategic alternatives for the business and remains focused on cash flow optimization through the reduction of operating expenses and a reassessment of its existing streams and royalties. These alternatives could include acquisitions, divestments, corporate transactions, financings, other strategic partnership opportunities or continuing to operate as a public company.

## INDUSTRY OVERVIEW

Carbon credits are traded in both the compliance (regulated) market and the voluntary market. The prices of carbon credits are primarily driven by the levels of supply and demand in the markets. Several factors that can also influence the price paid for a particular carbon credit include: project activity type (such as forestry, renewable energy, waste disposal, carbon capture, etc.); project location; Vintage; the Standards; and certain social, environmental and other Co-Benefits which allow carbon credits to be differentiated based on their underlying positive social, biodiversity and sustainability impacts (“**Co-Benefits**”) such as job creation, water conservation or preservation of biodiversity.

Some exchanges that specialize in the trading of compliance carbon credits include the European Climate Exchange, the NASDAQ OMX Commodities Europe exchange, and the European Energy Exchange. A significant portion of voluntary carbon market trading is conducted over the counter (OTC), but some exchanges that specialize in the trading of voluntary carbon credits include CBL, CIX, and Air Carbon Exchange.

The compliance markets are generally used by governments as a cost-effective tool to achieve their GHG emission reductions goals. In an emission trading system (“**ETS**”), a jurisdiction or a coalition of members sets a cap on the total annual GHG emissions to be generated by specific industries. The cap then typically declines annually to achieve the climate goals of the jurisdiction or members. Carbon allowances equal to the emissions cap may then be freely allocated and/or auctioned to emitting entities who may then trade these allowances between themselves based upon need.

ETEs are created and regulated by national, subnational or regional jurisdictions and collectively form the compliance carbon markets. Carbon allowances that are created in an ETS are primarily traded within their specific compliance market, but can also be traded on secondary markets, which may or may not be regulated.

The global voluntary carbon markets function outside of the compliance market(s) and allow businesses (including corporations, governments and asset managers), organizations and individuals to purchase carbon credits (voluntarily) to compensate for their GHG emissions and help achieve their sustainability goals. Carbon credits are purchased on the voluntary market and then “retired” by the purchaser to compensate for their GHG emissions. The issuing, transferring and retiring of carbon credits is executed through a Registry maintained by a Standard Body. Registries maintain transaction records for all issuances, transfers and retirements throughout a project’s carbon credit life cycle. See “– Risk Factors – *“Fluctuating price of carbon credits”, “Reduced demand for carbon credits”, “Lack of liquidity of carbon markets” and “Carbon trading may become obsolete”* .

Registry delays, validation issues, and concerns over carbon credit integrity have slowed progress. Additionally, shifting government policies and regulatory uncertainty have introduced further instability. On the macroeconomic front, rising interest rates and economic challenges have led companies to reduce their sustainability investments, further decreasing demand for carbon credits. Consequently, the market has experienced price pressures, and the anticipated growth in demand for carbon credits has not materialized as expected.

## What are Carbon Credits

Typically, a carbon credit is a certified and transferable instrument that represents one tonne of carbon dioxide (“tCO<sub>2</sub>”) or the carbon dioxide equivalent (“tCO<sub>2</sub>e”) of other GHGs (with other GHGs converted into CO<sub>2</sub> based on the amount of heat the gas traps in the atmosphere over time relative to CO<sub>2</sub>) that is prevented from entering the atmosphere or sequestered or removed from the atmosphere and includes any associated Co-Benefits.

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

Carbon credits are seen as a complementary tool to be used alongside broader decarbonization efforts of corporations, organizations and individuals as they pursue their net-zero goals or other emission-reduction targets. Carbon credits can compensate for unabated emissions while a company prioritizes a science-based emissions mitigation strategy and neutralize residual emissions in order to reach net zero.

## Projects Generating Carbon Credits

There are many different types of projects that can generate carbon credits. These projects fall into two broad categories: avoidance/ reduction and removal/ sequestration.

### *Avoidance / Reduction*

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

- *Afforestation/ Reforestation*: Afforestation projects are efforts that help create a forest on land that was previously barren. Reforestation projects, on the other hand, involve replanting trees in an area that has been deforested. Collectively, afforestation and reforestation projects act as carbon sinks (e.g., natural or artificial deposits that store more carbon than they emit, such as oceans, forests and artificial carbon sequestration technologies that remove carbon from the air).
- *Avoided Deforestation*: Forest conservation (avoided deforestation) projects protect existing forests that would have otherwise been deforested without the revenue generated from carbon credits.
- *Improved energy efficiency*: Improved energy efficiency can be achieved by the installation of energy efficient products and technologies, fuel switching or the substitution of fossil fuel generation assets with solar, wind, hydro, geothermal or biomass alternatives. Cookstove and water purification projects also represent examples of improved energy efficient projects.
- *Methane capture or avoidance*: These projects either capture methane (a type of GHG) or reduce its emissions from landfills, agricultural or other sources and by doing so can have additional benefits of lowering the risk of groundwater and soil contamination and air pollution for adjacent communities. These projects generally either capture methane or reduce its emissions by flaring or improved waste management activities. The Company’s Nalgonda Rice Farming Stream covers a methane avoidance project.

### *Removal/ Sequestration*

Removal/ sequestration projects aim to capture GHGs from the atmosphere and store the gases long-term. These types of projects can be nature-based (e.g., using trees or soil to sequester and store carbon) or technology-based (using technologies like direct air carbon capture and storage or bioenergy with carbon capture and storage, including Biochar).

- *Biochar*: Biochar, short for biological charcoal, is an example of a technology-based carbon capture and storage project. Biochar is a very stable form of carbon and is produced by heating organic feedstocks known as biomass, which includes many types of organic waste (such as wood, peanut shells, manure and crop waste) in the near or total absence of oxygen. Biochar has the

potential to sequester more than one billion tonnes of carbon dioxide every year by 2050 and can store the carbon for centuries.

## Carbon Credit Registries and Standard Bodies

### Registries and Standard Bodies

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

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

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

- *Real, quantifiable and measurable.* The emission reductions or removals must be realized and quantified using a recognized methodology expressed using standard GHG metrics. For example, a range of factors are considered when estimating carbon credits from improved forest management, including existing timber inventory (e.g., age, species, volume), forest management, sustainability constraints, timing of harvests and regeneration strategies, among others. They also cannot be double counted or double claimed.
- *Additional.* The project activity must be additional. That is, it would not have existed in the absence of carbon market initiatives and the project reduces emissions or removes carbon dioxide from the atmosphere beyond a business-as-usual scenario. For example, claiming carbon credits from the reduction of methane from a landfill that was required by regulation to capture and destroy that methane would not be considered additional. Similarly, using carbon credits to fund an activity where other similar activities do not require carbon financing, or have significant non-carbon income, may not be considered additional.
- *Permanent.* Carbon credits must represent emission reductions or removals that will not be reversed after the credit is issued. If non-permanence is a material issue (e.g., wildfires) then buffer pools will usually be put in place to minimize that risk, and account for reversals should they occur. For projects subject to permanence risk, a risk rating is assessed during the validation process and an associated number of credits withheld for each year to create a buffer account.
- *Leakage accounted for and minimized:* The carbon credit project should not lead to an increase in emissions elsewhere, or safeguards must be in place to monitor and mitigate any increase that occurs (e.g., leakage deductions from the emission reductions measured).

- *Do no net harm*: Projects should not violate laws, regulations or treaties, and environmental and social safeguards must be in place to minimize detrimental effects.

### **Validation and Verification Bodies (VVBs)**

Validation and Verification Bodies (“**VVBs**”) are independent third-parties who have valid accreditation and have been approved by the applicable registry. The VVB is involved in reviewing the project design documents, preparing a validation report and verifying the project monitoring data.

### **Project Registration & Development Process and Verification**

#### *Carbon Accounting Methodologies*

One of the major roles of a Standard Body is to outline approved carbon accounting methodologies for carbon credit generation. The carbon accounting methodology is applied to quantify GHG emission reductions and/ or removals. The methodology applied during the initial project design stage will directly influence the duration of the crediting period for the project as well as expected annual carbon credit generation.

The project partner is responsible for, among other things, selecting a methodology that is appropriate for the project, making sure the project conforms to the requirements of the methodology, engaging in the registration process with the applicable Standard Body, and cooperating in the verification process, which typically occurs annually, to ensure that initial assumptions were correct and emission reductions or removals have occurred so that credits can be issued over the life of the project.

#### *Registration and Development*

In order for a project to be registered with the applicable Standard Body, the project partner is required to submit a comprehensive package which defines project activities, such as implementation plans and costs; stakeholder consultations; the carbon accounting methodology for quantifying GHG emission reductions and removals; estimations of the emission reductions and removals according to this methodology; and documentation supporting appropriate usage of the methodology. Examples of project activities include avoiding or deterring deforestation; reforestation planting activities; construction of biochar or other engineered facilities to capture GHG from the atmosphere; the manufacture, distribution and documentation of fuel-efficient cookstoves; or any other activity that leads to GHG emission reductions or removals.

#### *Project Validation and Monitoring, Reporting and Verification for Credit Issuance*

Once a project is registered with the applicable Standard Body, it is required to be monitored and reviewed by independent auditors before credits are issued which may occur annually, quarterly or otherwise depending on the applicable Standard and the methodology. Projects carry out the expected activities, and at the end of each monitoring period, these activities are compared with the activities outlined in the Project Documents by an independent auditor. The project partner completes a monitoring report and the auditor assesses this monitoring report through a desktop review and a site visit. The auditor then issues a report verifying that the project has met all requirements outlined by the applicable Standard and has correctly calculated and reported actual net GHG emission reductions or removals

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

#### *Carbon Credit Transfer and Retirement*

The issue, transfer and retirement of carbon credits is executed through a Registry maintained by the Standard Body.

## 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.

### **Carbon Credit and Currency Risk**

#### *Fluctuating price of carbon credits*

The Company’s business is strongly affected by the market price for carbon credits in the voluntary carbon markets, the price of which has fluctuated significantly over the past several years. If the market price of carbon credits were to drop and the prices realized by us were to decrease significantly and remain at such a level for any substantial period, our profitability and cash flows would be negatively affected, and thus impact the trading price of the Common Shares and Warrants.

Factors which affect the market price of carbon credits are numerous, many of which are beyond our control. These factors include, but are not limited to, changing demand from credit end-users, political developments, including heightened awareness of net zero commitments and calls for climate action such as those linked to United Nations Climate Change Conferences and/ or other multilateral initiatives, speculative activity from the investor community, changes in energy prices and general economic conditions (including the wider global economic slowdown and recent negative general economic



sentiment). In the future, prices may continue to fluctuate based on general economic, political, or regulatory conditions, including the level of commitment to the goals of the Paris Agreement by both governments and corporations and other private and public initiatives aimed at reducing GHG emissions. Furthermore, the escalation of geopolitical tensions impacts carbon credit demand and could have a broader impact on the Company's business activities, which could adversely affect its business, the economic conditions under which the Company operates, and its counterparties.

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

There can be no assurance that continual fluctuations in the price of carbon credits will not occur. In addition, the price for a carbon credit varies according to its project type, project 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 the broader market trends and the particular attributes of the Company's carbon credits. While the Company seeks to mitigate these risks by acquiring streams and credits from diversified projects (by geography, project type and Standard), the price of carbon credits (individually or in the aggregate), and thus our profitability and cash flows, will continue to be impacted by these factors.

#### *Reduced demand for carbon credits*

The Company's business is strongly affected by the demand for carbon credits in the voluntary carbon markets, which has fluctuated significantly over the past several years. The demand for carbon credits can be adversely affected by any number of factors, including but not limited to the implementation of lower emission infrastructure, an increase in the number of projects generating carbon credits, invention of new technology that assists in the avoidance/ reduction or sequestration/ removal of GHG emissions, increased use of alternative fuels, a decrease in the price of conventional fossil fuels, increased use of renewable energy, and the implementation and operation of carbon pricing initiatives such as carbon taxes and ETSs. There can be no assurance that carbon pricing initiatives or compliance or voluntary carbon markets will continue to exist. Carbon pricing initiatives may be subject to policy and political changes and, may otherwise be diminished, terminated or may not be renewed upon their expiration.

In addition, the demand for carbon credits, particularly in the voluntary markets, is driven by the social and political will to reduce GHG emissions globally. Without such social and political will, the marketplace for carbon credits would cease to exist and there would be no place for the Company to buy and sell carbon credits. Even if such marketplaces still exist, without the social and political will to reduce GHG emissions, the price of carbon credits may fall to an unsustainably low price, preventing profitability of the Company. Carbon credits may fall out of favour and no longer be saleable at prices the Company expects, or at all. Additionally, should there be reduced demand for carbon credits, the timing to sell carbon credits may extend beyond the 12-month period following issuance for which the Company expects to sell the carbon credits.

### *Lack of liquidity of carbon markets*

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

### **Liquidity/Financial Risk**

#### *Liquidity concerns and future financing requirements*

The Company had negative cash flow from operations for the financial year ended December 31, 2024. It is likely the Company will continue to operate at a loss until we are able to realize cash flows from the sale of carbon credits delivered under our streaming agreements or payments received under our royalties. We may require additional financing in order to fund our business, business expansion, and/or negative cash flow. The Company's ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us, or at all. If additional financing is raised by the issuance of Common Shares from treasury, control of the Company may change, and Shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our business at its maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

#### *Foreign exchange rates*

Streams and carbon credits are typically acquired in U.S. currency. However, the Company currently pays certain operating expenses and has its securities listed on an exchange in Canadian currency. Although the Company's functional currency is U.S. dollars, fluctuation in the U.S. currency exchange rate relative to the Canadian currency could negatively impact the value of the securities. The acquisition of streams and investment in carbon credits and/or equity securities denominated in a currency other than Canadian currency will be affected by the changes in the value of the Canadian dollar in relation to the value of the currency in which the stream, carbon credit or security is denominated. Because exchange rate fluctuations are beyond our control, there can be no assurance that such fluctuations will not have an adverse effect on the Company's operations or on the trading value of the Common Shares or Warrants.

## **Risks Relating to the Company's Business**

### *Limited operating history for the Company's current strategy*

Prior to 2020, the Company had no record of operating under a business strategy with a focus on carbon credits. As such, the Company is subject to all 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 business is highly speculative and there is a consequent risk of loss of an investor's entire investment. The success of the Company's activities will depend on management's ability to implement its strategy and on the availability of opportunities related to carbon credit streaming and royalty agreements and GHG emission avoidance, reduction and sequestration programs; government regulations; commitments to reduce or compensate for GHG emissions by corporations, organizations and individuals; and general economic conditions. There is no certainty that anticipated outcomes and sustainable revenue streams will be achieved and there is no certainty that the Company will successfully implement its current strategy, generate revenue and be profitable.

### *Concentration risk*

The business of the Company is to acquire or invest in the form of equity, debt or other forms of investment, in carbon credits or entities, assets or properties involved in the origination, generation, monitoring, or management of carbon credits or related businesses and to market and sell carbon credits. Given the concentration of the Company's exposure to carbon credits, the Company's business will be more susceptible to adverse economic or regulatory occurrences affecting carbon credits and carbon markets than other more diversified companies or an investment fund that holds a diversified portfolio of securities. 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, jurisdictions and attributes, until further diversification is achieved, the Company will continue to have a significant portion of its assets dedicated to a select number of carbon credit projects, and businesses related to carbon credits.

### *Inaccurate estimates of growth strategy*

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

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

Company's estimates, and actual volumes generated and/or received by the Company may vary.

#### *Impact of the Restructuring*

Pursuant to the publicly announced Restructuring, the Company has implemented a series of significant initiatives intended to reduce costs across the organization. The resulting adjustments to personnel and resources as part of the Restructuring may, among other things, result in unanticipated operational issues, expenses and liabilities. While the Restructuring has reduced the Company's operating costs to date, the Company cannot be certain that the changes implemented pursuant to the Restructuring will be successful or sustainable over the long-term, or that the Company may be required to implement additional actions in the future to further restructure its business and operations in order to operate in a cost-effective manner. These alternatives could include acquisitions, divestments, corporate transactions, financings, other strategic partnership opportunities or continuing to operate as a public company.

#### *Reputational risks*

The Company's business, operations or financial condition may be negatively impacted because of changing public opinion towards the voluntary carbon markets, the types of projects the Company invests in, the Company, project partners, or as a result of any negative sentiment toward, or in respect of, the Company's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the voluntary carbon markets as well as their opinions on certain projects, including REDD+ and cookstove projects.

Potential impacts of negative public opinion or reputational issues may include legal or regulatory actions or challenges, increased regulatory oversight, reduced support for the projects in which the Company has streams or royalties and/or demand for certain types of credits. In addition, such negative public opinion may result in delays in, challenges to, or the revocation of regulatory approvals, permits and/or licenses and increased costs and/or cost overruns for the projects in which the Company has streams or royalties. Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard the Company's reputation. Damage to the Company's reputation could result in negative investor sentiment towards the Company, which may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Company's Common Shares and Warrants.

#### *Dependence upon key management*

The Company is dependent upon the continued availability and commitment of its key management, whose contributions to the current and future operations of the Company are of significant importance. The loss of any such members could negatively affect business operations. 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.

### *Future acquisitions*

While the Company's current focus is on extracting value from its existing portfolio, as part of our business strategy, we may in the future seek to grow by entering into or acquiring streaming, royalty or royalty-like arrangements or acquiring or investing, in the form of equity, debt or other forms of investment, in carbon credits or entities, assets or properties involved in the origination, generation, monitoring, or management of carbon credits or related businesses.

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

### **Carbon Credit Industry Risk**

#### *Registration, validation, verification, cancellation and other risks associated with carbon credit standards and registries*

Carbon credits represent emission reductions or removals produced by carbon projects which are registered, validated and verified by Standard Bodies. The processes for registration, validation and verification require review and approval by Standard Bodies and the timing of such review and approval is outside the control of the Company. The methodologies used by Standard Bodies in the registration, validation and verification of carbon credits are also subject to change by the Standard Bodies and are outside of the Company's and the project partner's control. See the risk factor "*Methodologies relating to future carbon credit projects may change over time.*"

Due to the increased development of new carbon credit projects and resulting capacity restrictions within Standard Bodies, the timing of the issuance of carbon credits may take longer than expected and is not within the Company's control. Any delays in the verification and/or issuance of carbon credits will cause a delay in delivery of carbon credits by project partners to the Company, which correspondingly could result in a delay in the ultimate sale of such credits by the Company. Such timing issues and delays could therefore result in a material and adverse effect on our profitability, results of operation and financial condition.

In addition, the timing of delivery of carbon credits is subject to external factors, including but not limited to, the development of projects and receipt of government approvals. See the risk factors "*Carbon credit generation may be impacted by local legislation, regulations and/or direct government intervention*" and "*Dependence on third party project developers, owners and operators*".

*Carbon credit generation may be impacted by local legislation, regulations and/or direct government intervention*

The ability of a project to generate carbon credits and to deliver such credits to the Company may be impacted by 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 NDCs under the Paris Agreement or any other national or international initiatives). NDCs under the Paris Agreement form part of each participating country's climate action plan to cut emissions and adapt to climate impacts and are a key element for achievement of the Paris Agreement's long-term goals. The Paris Agreement requires each participating country to prepare, communicate and maintain successive NDCs that it intends to achieve. Each participating country then must pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions. While countries have set NDC targets (which are updated every five years), there are various means by which countries plan to achieve these targets. Importantly, typically a country's mitigation plan is multifaceted, and includes adaptation and mitigation programs to reduce GHG emissions, as well as investing in programs to transition to a low carbon future.

Accordingly, the regulatory environment for carbon credits is in a state of continuing change, and new laws, regulations and requirements may be implemented and retroactive in their effect. As countries develop their plans to meet their Paris Agreement commitments (including NDCs), new legislation and regulations may be implemented as a result, and if countries in which projects are located adopt such measures, there is a risk that any such changes may impact the projects in which the Company has a stream or other interest, including the timing of credit issuance, delivery under a stream and number of credits available for international sale.

In addition, the regulation of climate change and carbon credits is a sensitive political issue in countries in which the Company has an interest in a stream or an investment, and as a result there is also a risk of direct or indirect government intervention in matters pertaining to the generation and delivery of carbon credits. Such intervention could extend to governments nationalizing, seizing or expropriating historical or future carbon rights, carbon credits and/or carbon project property, terminating and/or invalidating land concessions or carbon rights agreements, or other actions that could effectively deprive the Company (either directly or indirectly) of the benefit of its interests in its streams or investments (including through the grant to third parties of rights that conflict with a project's right to claim any benefit arising from emission reductions or removals and/or carbon credits generated by a project). Any such nationalization, expropriation or similar action may, in most cases, obligate a government to pay just compensation. However, even if a party could or did obtain compensation in such a circumstance, there could be no guarantee that the compensation paid would ultimately be paid to the Company or represent the Company's view as to the full value of any asset lost.

Any of the foregoing matters or occurrences could have a material adverse effect on a carbon credit project, including the volume of carbon credits which a project can generate and/or deliver to the Company, and could result in a material and adverse effect on our profitability, results of operation and financial condition. Also see the risk factor *"Foreign operation and political risk"*.

### *Foreign operation and political risk*

The Company's streaming, royalty and other agreements may be focused on a particular country, countries, or region and therefore may be susceptible to adverse market, political, regulatory, and geographic events affecting that country, countries or region. A significant proportion of the Company's current streams and royalties are on projects that are located outside of North America, and some are in jurisdictions which may be considered an emerging market jurisdiction such as Indonesia, Africa (the DRC, Malawi, Mozambique, Tanzania, Uganda and Zambia), India, Mexico, and Brazil. Such geographic focus also may subject the Company and its streaming or royalty agreements to a higher degree of volatility including economic and political developments.

Risks the Company may face with respect to any country where current or future streams or investments of the Company may be located, include unforeseen government actions, acts of god, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls, export controls, governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or particular party, or other events, and other government or industry policies.

A government with jurisdiction over a carbon credit project may also make changes in policies in relation to the reduction or removal of GHG emissions, the ownership and transferability of carbon rights and/or carbon credits, introduce quota systems, or impose restrictions on the export or re-sale of carbon credits, all of which may negatively impact the Company and its streams, royalties or investments.

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, royalty or an investment, or otherwise have an adverse impact on the Company's valuation and price of its securities. See "*Description of the Business – Other Information Relating to the Company's Business*".

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

Adverse events in global financial markets can have profound impacts on the global economy. Many industries and markets, including the carbon markets, are impacted by these market conditions. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and carbon markets and a lack of market liquidity. Also see the risk factor: "*Fluctuating price of carbon credits*".

A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and valuation. Specifically, a global credit/ liquidity crisis could impact the cost and availability of financing and our overall liquidity; the volatility of carbon credit prices would impact our revenues, profits, losses, cash flow and the value of our carbon credit holdings; and continued recessionary pressures could adversely impact demand for carbon credits and related

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

*Methodologies relating to future carbon credit projects may change over time*

In seeking to acquire carbon credits from a growing selection of diversified and high-integrity projects over the long term, the Company's intention is to have all such project(s) validated through a compliance market or by an internationally recognized Standard Body in the voluntary market, such as Verra, the Gold Standard, Puro.Earth, CAR and others. In addition, the associated Co-Benefits of a project may be validated by standards such as the CCB Standards or the SD VISta Standard, both administered by Verra.

As Standard Bodies set the project design, implementation, monitoring, verification and reporting criteria against which a project's GHG emission reductions or removal activities and/or environmental and social Co-Benefits can be certified or verified, there is a risk that they may revise or update their rules and criteria for the registration, validation and verification of carbon credit projects.

These updates or revisions may lead to lower carbon credit estimates under the revised methodology, a loss in credibility and/or trust in the Standard Body which may, in turn, cause reputational risk to project developers and associated parties. Whether or not a project is required to adopt changes to its methodology, a project partner may be voluntarily compelled to adopt methodology changes to address concerns with respect to project methodologies. Standard Bodies may also pause any further validations or verifications in connection with a review of these methodologies.

For example, the timing of delivery of carbon credits under the Nalgonda Rice Farming Stream has been impacted by Verra's pending revisions to rice-specific methodologies, including the inactivation of AMS-III.AU Methodology. In addition, in January 2024, Verra announced that it was inactivating VM0004 Methodology for Avoided Planned Land Use Conversion in Peat Swamp Forests, v2.0 as of January 23, 2024, due to the ongoing development of revised modules and a consolidated methodology for tropical peatland activities. This methodology was historically used by the Rimba Raya project, prior to validation on the SRN.

Any changes to such rules set by Standard Bodies could have an adverse effect on a project's ability to generate carbon credits, generate credits at the volume and quality anticipated in the Project Documents and the timing of future issuances. Concerns regarding existing methodologies may also impact project credibility and the market value of such carbon credits. Any actual or proposed changes to validation/verification requirements of the Standard Bodies could therefore result in a material and adverse effect on the Company's profitability, results of operation 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 in the compliance carbon markets is regulated by specific jurisdictions pursuant to regional legislation or trading of carbon credits can be voluntary as in the voluntary carbon markets. When regulated (e.g. under the EU ETS and in the WCI (Western Climate Initiative) cap-and-trade programs), governments compel emitters to reduce their GHG emissions through technological improvements or through the purchase of carbon credits. It is an identified risk factor that new legislation may arise in certain jurisdictions that may render the Company's business plan and knowledge obsolete with respect to carbon credits. For example, in January 2025, an executive order was implemented by the United States government that commenced the process of withdrawing the United States from all agreements, pacts, accords, or similar commitments made under the UNFCCC, including the Paris Agreement, which could potentially result in a potentially significant decrease in aggregate demand for carbon credits from United States-based businesses and organizations. With respect to the voluntary trade of carbon credits, there is also 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. If and to the extent such events materialize, carbon credits may no longer be saleable at prices the Company expects or at all. Also see the risk factors "*Reduced demand for carbon credits*".

#### *Competition*

There are many organizations, companies, non-profits, governments, asset managers and individuals that are buyers of carbon credits, or have rights to or interest in carbon credits, and there is currently a limited supply of carbon credits, projects to generate future carbon credits and related opportunities in carbon credits. Many competitors are larger, more established companies with substantial financial resources, operational capabilities and long track-records in carbon markets. The Company may be at a competitive disadvantage in acquiring carbon credits or interests in carbon credits, whether by way of purchases in carbon markets, streams or other forms of investment, as many competitors have greater financial resources and technical staffs. In addition, as the industry matures, new competitors may emerge. Accordingly, there can be no assurance that we will be able to compete successfully against other companies in building a portfolio of carbon credits and carbon credit related businesses. Our inability to acquire carbon credits, streams, royalties and other investments may result in a material and adverse effect on our profitability, results of operation and financial condition.

## **Project Risk**

### *Due diligence risks*

The due diligence process undertaken by the Company in connection with acquisitions, investments or streaming arrangements that it undertakes or wishes to undertake, may not reveal all relevant facts in connection with an acquisition, investment or streaming arrangement. Before making any decision, the Company will conduct, or have independent consultants conduct, due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each acquisition, investment or streaming arrangement. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, environmental, financial, tax, accounting, regulatory, technical and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an acquisition, investment or streaming arrangement, the Company relies on resources available, including information provided by the target of the acquisition or investment, the party(ies) to the streaming arrangement and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any opportunity may not reveal or highlight all relevant facts that may be necessary.

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

The development of a carbon credit project is a speculative venture necessarily involving substantial risk. If the Company acquires a stream at the development or pre-delivery phase, there is no certainty that any given project will result in the development of a carbon project and the verification and generation of carbon credits (and in quantities that are economical). Early-stage projects will often need to obtain permits, title or other concessions to own the land and/or related carbon rights. Although substantial benefits may be derived from developing a project, no assurance can be given that a project will be able to obtain or maintain all necessary licenses and permits required for a project. In addition, there can be no assurances that a project will be able to be registered and validated and/or emission reductions or removals will be generated and verified in sufficient carbon credit quantities to justify a financially viable project.

### *Dependence on third party project developers, owners and operators*

Carbon credits received by the Company are derived from projects that are developed, operated or owned by third parties. The original owners or creators of the carbon rights may have transferred their rights to a project developer or other intermediary. In cases where carbon rights have been transferred or assigned to a project partner, Carbon Streaming may not have direct contractual arrangements with the original carbon rights owner. For example, at the Company's Rimba Raya project, InfiniteEARTH, the operator of the project with whom the Company has its stream agreement, operates the project through a partnership with PT Rimba, its local partner in Indonesia and the direct legal holder of the concession rights granted by the Indonesian government. As a holder of streams, royalties or other interests, the Company may have little or no input in a project partner's relationships and arrangements with other parties involved in a project. Also see the risk factor "Carbon credit generation may be impacted by local

*legislation, regulations and/or direct government intervention”.*

Third parties will also be responsible for determining the manner in which the relevant projects are developed, operated and managed, including decisions that could expand, continue or reduce the number of carbon credits generated and associated Co-Benefits from a project or an asset, and as such the interests of third parties and those of the Company on the relevant properties or assets may not always be aligned. Project partners also have a fair degree of autonomy when it comes to investing into the local community beyond what is agreed with the communities or set out in the Project Documents. In addition, the quantitative and qualitative data about the project and its impact, including the impact of any Co-Benefits on the local communities provided by project partners may not provide the Company with sufficient information to assess the overall impact and projections. Further, there can be no assurances that expected Co-Benefits of the projects will ultimately be achieved and/or that existing Co-Benefits will continue. The Company is also dependent on third parties to provide timely and accurate information about the project activities, progress and projections. In addition, the inability of the Company to directly control the operations of the projects 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.

In addition, there can be no assurance that the Company's partners, as owners, developers and/or operators of such projects, will have the financial, technical or operational resources to complete the development of such projects in accordance with the expectations contained in the Project Documents, or at all. It is also possible that such partners will require additional financing or capital in order for their projects to be successfully developed and/or to continue to generate carbon credits over the life of the Company's agreement. In such circumstances, while the Company is under no contractual obligation to do so, the Company may be asked by its project partners to provide additional capital to these entities and the Company may elect to do so to preserve the value of its stream or royalty. Although the Company undertakes a due diligence process for every stream or royalty (which includes, among other things, confirmation that a project has long-term financial viability and sustainability for the entire duration of the proposed contract life), the development and operation of carbon credit projects are subject to significant risks and it is possible that the value realized by the Company may be less than the original upfront deposit. Any such financial difficulties encountered by the owners, developers and/or operators of projects in respect of which the Company has a stream or other interest may therefore have a material adverse effect on the Company's profitability, results of operation and financial condition. Also see the risk factors *“Due diligence risk”*.

#### *Sensitivity to nature and climate conditions*

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

The projects that the Company enters into carbon credit streaming agreements over and/or otherwise invests in to generate carbon credits are subject to risks associated with natural disasters, which natural disasters could result in temporary or permanent damage to, or destruction of, projects that generate

carbon credits. Any such natural disaster could impact the ability of the Company's counterparties to deliver carbon credits to the Company, reduce the number of credits issued or otherwise impair the operations of the project. Therefore, such events could adversely affect the viability of any of the Company's carbon credit streaming or royalty agreements and may result in a material and adverse effect on our profitability, results of operations and financial condition.

#### *Limited access to data and disclosure*

As a holder of streams and other non-operator interests, the Company does not serve as the project developer, owner or operator, and in almost all cases the Company has little to 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/royalties or enhance their performance. This could also result in delays in the receipt of carbon credits or royalty payments based on the stage of development of the applicable properties or assets covered by its agreement. In addition, some streams may be subject to confidentiality arrangements which govern the disclosure of information with regard to streams and as such the Company may not be in a position to publicly disclose non-public information with respect thereto. The limited access to data and disclosure regarding the operations of the properties or assets in which the Company has an interest, may restrict its ability to assess the value or enhance its performance which may have a material adverse effect on the Company's profitability, results of operation and financial condition.

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

#### *Rights of third parties*

Some streams, royalties or other agreements may be subject to buy-down right provisions pursuant to which an operator, project partner, or property owner may buy-back all or a portion of the stream; preemptive 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 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.

#### *Enforceability and effectiveness of secured interest*

The Company's rights to delivery/payment under streams, royalties or other interests must, in most cases, be enforced by contract. The Company's ability to collect outstanding streams, royalties or other interests,

or obtain equitable relief upon cases of default, might be limited pursuant to such contracts. In the event a dispute arises from the Company's foreign investments, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity. Further, any dispute with governmental authorities may also adversely affect the Company's relationship with the government, which could impact the development and operation of current and future projects under the Company's streams, royalties or other interests.

While the Company may often take a security interest over the assets of a project or project partner (including the project's carbon rights agreement or carbon credits held with a Registry), security arrangements may be difficult to realize upon, may not be honoured in the jurisdiction of registration and also may be subordinate, any of which may cause the Company to be at a disadvantage in the event of a default. In addition, the value of the assets secured may have little value, especially if third party, Registry or governmental consents are required to realize on the secured assets. Failure to receive carbon credits/payments under its streams, royalties or other investments, the inability of the Company to effectively enforce its rights against third parties, or termination of the Company's rights, may result in a material and adverse effect on the Company's profitability, results of operations and financial condition.

### **Legal, Regulatory and Political Risk**

#### *Regulatory change*

The Company may be affected by changes in regulatory requirements, customs, duties, tariffs or other taxes in the jurisdictions in which it operates or has assets. Such changes could, depending on their nature, benefit or adversely affect the Company. The costs associated with legal compliance may be substantial. In addition, possible future laws and regulations, changes to existing laws and regulations (including the imposition of higher taxes which have been, or may be, implemented or threatened) or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of projects generating carbon credits and planned operations and delays in the development of projects generating carbon credits. Failure to comply with laws and regulations by the Company or by the operators of projects could lead to financial restatements, fines, penalties, loss, reduction or expropriation of entitlements, the imposition of additional local or foreign parties as joint venture partners with carried or other interests and other material negative impacts. Also see the risk factors "*Registration, validation, verification, cancellation and other risks associated with carbon credit standards and registries*", "*Carbon credit generation may be impacted by local legislation, regulations and/or direct government intervention*" and "*Foreign operation and political risk*".

#### *Streams and royalties may not be honoured by project partners or operators of a project*

Streams and royalties are largely contractually based and long-term in nature. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent grantors of streams and other interests do not abide by their contractual obligations, the Company may be forced to take legal action to enforce its contractual rights. Not all project developers, owners or operators are credit worthy, and some may not stay as a going concern

over the life of the stream or royalty. Parties to contracts may also be domiciled outside of North America, and the enforcement of rights may need to occur internationally. Also see the risk factor “*Foreign operation and political risk*”.

#### *Pending or future litigation, arbitration or other proceedings*

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 favourably, it may have a material and adverse effect on the Company’s profitability, results of operations and financial condition. Such litigation may be time consuming and costly, and as with all litigation, no guarantee of success can be made. Should any such court, tribunal or other 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. For additional information see “*Legal Proceedings and Regulatory Actions.*”

#### *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 and may depend on the Company’s ability to enforce contracts with counterparties in the event a counterparty to a purchase agreement fails to fulfill the obligations of a purchase agreement.

In addition, agreements may contain terms regarding ongoing obligations and commitments that, if not fulfilled by the Company, could result in the forfeiture of the agreement with the property or asset owners or the payment of compensation.

### **Insurance and Compliance Risk**

#### *Insurance risk*

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

#### *Internal controls over financial reporting*

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. The Company has procedures in place to ensure the reliability of its financial reports,

including those imposed on it under Canadian securities laws. However, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. If the Company or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and harm the trading price of the Common Shares or Warrants.

#### *Changes in accounting standards and interpretations*

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

Specifically, the application of accounting standards for carbon credit streams and royalties is relatively new and developing and each carbon credit stream or royalty has its own unique terms and significant judgment is required to assess the appropriate accounting treatment. Currently, the Company's streaming agreements are agreements that are expected to be settled through the delivery of carbon credits; although under the contractual arrangements certain circumstances could result in the Company receiving cash upon expiry of the contracts. Accordingly, the carbon credit streaming agreements are accounted for as financial instruments. These agreements are initially and subsequently measured at fair value through profit or loss. At each reporting date, the fair value of each active streaming agreement is determined using discounted cash flow models taking into consideration various observable and unobservable inputs, including the expected volumes and timing of the delivery and sale of verified carbon credits, assumptions around carbon credit pricing, an applicable risk-adjusted discount rate and other contractual terms of the agreement.

Other variables that impact the fair value of carbon credit streaming and royalty agreements include the expected volumes and timing of the delivery and sale of the verified carbon credits, changes in expected costs and cash flows associated with the contract, changes in the risk-free interest rate, other factors affecting the project or project partner, other factors affecting the buyers of the carbon credits and their creditworthiness, other factors affecting the carbon credit streaming or royalty agreements, other factors affecting cost and availability of capital, and other potential factors.

#### *Management assumptions /contingencies*

Actual results may differ materially from management estimates and assumptions. In preparing consolidated financial statements in conformity with IFRS Accounting Standards, estimates and assumptions are used by management in making various determinations of the fair value estimation of the carbon credit streaming and royalty agreements, future upfront deposit payment commitments, and

other items reported during the periods presented. These estimates and assumptions must be made because certain information that is used in the preparation of such financial statements is dependent on future events and cannot be calculated with a high degree of certainty from information available. The Company must exercise significant judgment in applying its accounting policies, estimates and assumptions about the future. Actual results for all estimates could differ materially from the estimates and assumptions used by the Company, which may have a material adverse effect on the Company's business, financial condition, results from operations and business prospects.

#### *Conflicts of interest*

Certain of the Company's directors may also serve as directors or officers, or have significant shareholdings in, other companies involved in carbon credits or the carbon markets and, to the extent that such other companies may participate in ventures or markets in which the Company may participate in, or in ventures or markets which the Company may seek to participate in, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where directors and officers have an interest in other companies, such other companies may also compete with us for the acquisition of carbon credits, streams or other investments. In this regard, the Company has also adopted the Code, which includes, among other things, policies designed to minimize potential conflicts of interest and to provide appropriate procedures for the disclosure, approval and resolution of any real or potential conflicts of interest that may exist from time to time. See "*Directors and Officers – Conflicts of Interest*". Any such conflict 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 business is governed by, and involves interactions with, various levels of government in foreign countries. Pursuant to our contractual obligations, we are required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada) ("**CFPOA**") and the U.S. Foreign Corrupt Practices Act (the "**FCPA**") and similar laws in the applicable project jurisdiction. These laws generally prohibit companies and company employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. The FCPA also requires companies to maintain accurate books and records and internal controls. Because the Company may pursue investments in other foreign countries, there is a heightened risk of potential CFPOA and FCPA violations.

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



### *Cyber-security threats*

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

### *Breach of confidentiality*

During the ordinary course of discussing potential business relationships or other transactions with third parties, including through the ongoing Restructuring and strategic alternatives review process, the Company may disclose confidential information relating to the Company's business, operations or affairs. Although confidentiality agreements are generally signed by third parties prior to the disclosure of confidential information, a breach could put the Company at competitive risk and may cause significant damage to the Company's business. The harm to the Company's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Company will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to the Company's business that such a breach of confidentiality may cause.

### *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 "*Additional Information – 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 losses. Certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares and Warrants.

### *Equity dilution*

The Board may issue Common Shares and Warrants without any vote or action by the Shareholders, subject to the rules of Cboe Canada 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 and Warrants could decline.

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

The Company is subject to significant costs, expenses and regulatory burden as a result of being a listed public company, which may negatively impact its performance and could cause its results of operations and financial condition to suffer. Compliance with applicable securities laws in Canada and the rules of

Cboe Canada may result in substantial costs and expenses, including legal and accounting costs, and make certain activities more time consuming and costly.

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

#### *Prospect of dividends*

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

### **Health Risks**

#### *Impact of the disease outbreaks and pandemics*

Disease outbreaks and other epidemics or pandemics, such as the COVID-19 pandemic, have had and could continue to adversely affect our business, financial position and results of operations. The measures attempting to contain, mitigate and manage the effects of an epidemic or pandemic (including, among other things, travel bans and restrictions, quarantines, shelter-in-place orders, shutdowns and restrictions on trade) could cause uncertainty in the global economy.

In particular, global travel restrictions have impacted, and continue to impact, the timing of validation and verification deadlines for certifying organizations, such as Standard Bodies, which could delay the timing of delivery of carbon credits to the Company. The projects in which the Company currently has streams and royalties are, and the Company's future opportunities may be, located outside of Canada. Accordingly, the Company may be affected by disease outbreaks or pandemic-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.

To the extent that a disease outbreak or any other potential regional or global pandemic harms our business and results of operations, many of the other risks described in this "Risk Factors" section may also be heightened.

## DIVIDENDS AND DISTRIBUTIONS

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

## DESCRIPTION OF CAPITAL STRUCTURE

### *Common Shares*

The Company is authorized to issue an unlimited number of Common Shares, of which there were 52,704,753 Common Shares issued and outstanding as at December 31, 2024 and 52,841,027 Common Shares issued and outstanding as of the date of this AIF.

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

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

### *Warrants*

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

- (i) 312,000 Warrants exercisable to acquire Common Shares at a price of C\$0.625 per Common Share at any time up until April 22, 2025;
- (ii) 128,000 Warrants exercisable to acquire Common Shares at a price of C\$0.625 per Common Share at any time up until December 16, 2025;
- (iii) 648,000 Warrants exercisable to acquire Common Shares at a price of C\$0.625 per Common Share at any time up until December 22, 2025;
- (iv) 2,615,500 Warrants exercisable to acquire Common Shares at a price of C\$3.75 per Common Share at any time up until January 27, 2026;
- (v) 8,606,039 Warrants exercisable to acquire Common Shares at a price of C\$7.50 per Common Share at any time up until March 2, 2026 (the “**March 2026 Warrants**”); and
- (vi) 20,921,250 Warrants exercisable to acquire Common Shares at a price of \$7.50 per Common Share at any time up until September 19, 2026 (the “**September 2026 Warrants**”). These Warrants were issued as the result of the automatic conversion of the Special Warrants on November 20, 2021.

As at December 31, 2024 and as of the date of this AIF, there were 33,230,789 Warrants issued and outstanding on a post-Consolidation basis. Each Warrant is exercisable into one Common Share.

#### *Options, Restricted Share Units and Performance Share Units*

The Company has adopted an Omnibus Long-Term Incentive Plan (the “**Incentive Plan**”) as a means to provide incentive to eligible directors, officers, employees and consultants. As at December 31, 2024 there were 1,156,333 Options, 1,031,093 RSUs outstanding and 280,719 PSUs outstanding.

In 2022, the Company adopted a Phantom Share Unit Plan. As at December 31, 2024, there were 136,672 phantom units outstanding. In addition, during 2024, the Company also adopted a Deferred Share Unit Plan. As at December 31, 2024 there were 600,000 deferred share units outstanding. Phantom share units and directors’ deferred share units issued pursuant to the Phantom Share Unit Plan and Directors’ Deferred Share Unit Plan, respectively, can only be settled in cash, and cannot under any circumstances be settled with the issuance of any Common Shares and/or other securities of the Company convertible into or exercisable or exchangeable for Common Shares.

## MARKET FOR SECURITIES

### Trading Price and Volume

The following table summarizes the monthly range of high and low market prices and the total monthly trading volumes of the Common Shares on Cboe Canada for the months indicated:

Month	High (\$)	Low (\$)	Volume
January 2024	C\$0.97	C\$0.68	251,995
February 2024	C\$0.86	C\$0.56	429,706
March 2024	C\$0.80	C\$0.55	430,655
April 2024	C\$0.95	C\$0.55	318,002
May 2024	C\$0.56	C\$0.47	503,375
June 2024	C\$1.13	C\$0.81	1,180,871
July 2024	C\$0.92	C\$0.82	307,101
August 2024	C\$0.91	C\$0.57	765,625

September 2024	C\$0.64	C\$0.52	149,385
October 2024	C\$0.56	C\$0.45	789,077
November 2024	C\$0.59	C\$0.40	1,657,701
December 2024	C\$0.55	C\$0.45	1,223,558
January 2025	C\$0.62	C\$0.49	648,715
February 2025	C\$0.56	C\$0.46	393,579
March 2025	C\$0.47	C\$0.36	2,144,270

The following table summarizes the monthly range of high and low market prices and the total monthly trading volumes of the March 2026 Warrants on Cboe Canada for the months indicated:

Month	High (\$)	Low (\$)	Volume
January 2024	C\$0.04	C\$0.04	78,748
February 2024	C\$0.04	C\$0.04	15,289
March 2024	C\$0.08	C\$0.03	35,736
April 2024	C\$0.09	C\$0.03	21,000
May 2024	C\$0.01	C\$0.01	66,910
June 2024	C\$0.09	C\$0.03	159,001
July 2024	C\$0.04	C\$0.01	42,806
August 2024	C\$0.04	C\$0.01	3,000
September 2024	C\$0.05	C\$0.01	9,800
October 2024	C\$0.01	C\$0.01	5,400
November 2024	C\$0.02	C\$0.01	64,220
December 2024	C\$0.02	C\$0.01	41,022
January 2025	C\$0.01	C\$0.01	2,000
February 2025	C\$0.01	C\$0.01	0
March 2025	C\$0.01	C\$0.01	2,974

The following table summarizes the monthly range of high and low market prices and the total monthly trading volumes of the September 2026 Warrants on Cboe Canada for the months indicated:

Month	High (\$)	Low (\$)	Volume
January 2024	C\$0.02	C\$0.02	55,150
February 2024	C\$0.03	C\$0.01	71,400
March 2024	C\$0.01	C\$0.01	3,000
April 2024	C\$0.01	C\$0.01	23,700
May 2024	C\$0.01	C\$0.01	43,850
June 2024	C\$0.12	C\$0.04	174,840
July 2024	C\$0.04	C\$0.03	52,590
August 2024	C\$0.01	C\$0.01	29,000
September 2024	C\$0.01	C\$0.01	29,900
October 2024	C\$0.02	C\$0.01	30,625
November 2024	C\$0.02	C\$0.01	83,618
December 2024	C\$0.03	C\$0.02	118,223
January 2025	C\$0.02	C\$0.02	38,000
February 2025	C\$0.02	C\$0.02	0
March 2025	C\$0.02	C\$0.01	42,355

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

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

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	3,530,474 <sup>(1)</sup>	6.68%

**Notes:**

- (1) Pursuant to the SAA, a portion of the Founders' Common Shares are being held in escrow as collateral until such time as carbon credits are delivered under the Rimba Raya Stream. See "Description of the Business – Other Agreements & Investments".

## DIRECTORS AND OFFICERS

### Name and Occupation

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

Name and Jurisdiction of Residence	Principal Occupation for Past Five Years
<b>Olivier Garret</b> <sup>1, 2, 3, 4</sup> Vermont, U.S.A. Director Since: May 31, 2024	- Founding Partner and Chief Executive Officer of Mauldin Economics, a leading publisher of financial researched geared to individual investors and institutions since 2012
<b>Marcel de Groot</b> <sup>1, 2, 3, 5</sup> British Columbia, Canada Director Since: May 31, 2024	- Co-Founder and President of Pathway Capital Ltd. since 2004 - Currently board member of Copper Standard Resources Inc., Drummond Ventures Corp. and Green Mountain Resources Inc.
<b>Alice Schroeder</b> <sup>1, 2, 3, 6</sup> Connecticut, U.S.A. Director Since: January 10, 2022	- Professional director, currently board member of HSBC North America Holdings, Dakota Gold Corp and Reflexion Medical - Formerly served as a Board member of Westland Insurance from 2021 - 2023, Bank of America Merrill Lynch International from 2016 to 2018, Quorum Health Corporation from 2018-2022, Prudential plc from 2013-2022, and Natus Medical Inc. from 2019 – 2022
<b>Marin Katusa</b> British Columbia, Canada Director Since: December 23, 2024 Chief Executive Officer	- With the Company since November 2024 - Founder and Chief Executive Officer of Katusa Research since 2015

Name and Jurisdiction of Residence	Principal Occupation for Past Five Years
<b>Mark Schaal</b> Vermont, U.S.A. Chief Financial Officer	<ul style="list-style-type: none"> <li>- With the Company since January 2025</li> <li>- Chief Financial Officer for Mauldin Economics and affiliated publishing companies since February 2012</li> </ul>
<b>Kathryn Samaras</b> Ontario, Canada Vice-President, Legal & Corporate Secretary	<ul style="list-style-type: none"> <li>- With the Company since March 2022</li> <li>- From September 2021 until March 2022, Assistant Corporate Secretary and Legal Counsel at HSBC Bank Canada</li> <li>- From January 2019 until September 2021, Senior Legal Counsel, for Frontera Energy Corporation</li> <li>- Former lawyer at Fasken Martineau Dumoulin LLP</li> </ul>
<b>Derek Sawkins</b> British Columbia, Canada EVP, Strategy & Investments	<ul style="list-style-type: none"> <li>- With the Company since January 2021</li> <li>- From 2016 until June 2021, held various titles INVIDI Technologies Corporation, most recently Senior Vice President of Corporate Development and Strategy</li> </ul>

Notes:

- (1) Member of the Audit Committee of the Board.
- (2) Member of the Compensation Committee of the Board.
- (3) Member of the Corporate Governance, Nominating and Sustainability Committee of the Board.
- (4) Chair of the Board and Chair of the Corporate Governance, Nominating and Sustainability Committee.
- (5) Chair of the Audit Committee.
- (6) Chair of the Compensation Committee.

## Share Ownership

As of the date of this AIF, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 1,836,022 Common Shares, which represented approximately 3.47% of the Company's issued and outstanding Common Shares.

On a partially-diluted basis, assuming the exercise of all Options, RSUs, PSUs and Warrants held by the directors and executive officers of the Company, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 3,906,375 Common Shares, which represented approximately 7.11% of the Company's issued and outstanding Common Shares on a partially-diluted basis. The statement as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Company as a group is based upon information furnished by the directors and executive officers.

## Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued while



the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

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

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

- (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.

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

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

## Conflicts of Interest

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

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

## AUDIT COMMITTEE

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

### **Composition of the Audit Committee**

The members of the Audit Committee are Marcel de Groot (Chair), Olivier Garret and Alice Schroeder.

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

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

### **Relevant Education and Experience**

*Marcel de Groot.* Mr. De Groot is a co-founder and the President of Pathway Capital Ltd. Pathway Capital partners with successful mining entrepreneurs to launch new ventures. Examples of such ventures include Peru Copper (acquired by Chinalco), Equinox Gold, and Solaris Resources. Mr. de Groot has over 25 years of experience in providing strategic support to both private and public companies within the resource industry. He is currently a director of Versamet Royalties (formerly Sandbox Royalties) and Copper Standard Resources. Mr. de Groot holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Professional Accountant.

*Olivier Garret.* Mr. Garret is a successful business executive and turnaround agent with experience working across a dozen different industries. In his capacity as Chief Executive Officer or Chief Restructuring Officer, he has led the growth and restructuring of companies in the financial industry, defense industry, as well as a variety of manufacturing and service businesses. For the past 16 years, Mr. Garret has successfully launched and led the growth of five financial research and publishing companies, one gold bullion company, four resource funds, and two real-estate funds. Mr. Garret earned an MBA from the Amos Tuck School at Dartmouth in 1989 and a Masters in Business Management from the University of Paris-IX in 1983.

*Alice Schroeder.* Ms. Schroeder has chaired and served on several boards throughout her career and has chaired or been a member of numerous Nominating & Governance, Audit, Compensation and Environmental, Social and Governance committees. She is currently serving on the boards of HSBC North America Holdings, Dakota Gold Corp., and RefleXion Medical, and previously served on the board of Prudential plc, Natus Medical, and Westland Insurance, Cetera Financial Group, Quorum Health and Bank of America Merrill Lynch International where she either served on or chaired the audit committee. Ms. Schroeder began her career as a CPA with eleven years of experience as an auditor with Ernst & Young and spent nearly two decades on Wall Street as a financial analyst and as a Managing Director at Morgan Stanley, CIBC Oppenheimer and PaineWebber. Ms. Schroeder was named to the National Association of Corporate Directors "Directorship 100" list in 2020 and is the author of the #1 New York Times and Wall Street Journal bestseller, *The Snowball: Warren Buffett and the Business of Life, the story of Buffett and Berkshire Hathaway.*

### **Audit Committee Oversight**

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

### **Pre-Approval Policies and Procedures**

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

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company’s external auditors for the year ended June 30, 2022, the six months ended December 31, 2022, the year ended December 31, 2023 and the year ended December 31, 2024 for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
December 31, 2024	\$231,648 <sup>(5)</sup>	nil	nil	nil
December 31, 2023	\$242,965	nil	nil	\$21,710
December 31, 2022	\$147,667 <sup>(6)</sup>	nil	\$22,459	\$27,511

June 30, 2022 <sup>(1)</sup>	\$179,633 <sup>(7)</sup>	nil	\$51,918	\$5,929 <sup>(8)</sup>
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Notes:

- (1) The Company changed its auditor to Deloitte LLP (“**Deloitte**”) from Baker Tilly WM LLP (“**Baker Tilly**”), effective August 11, 2022. See “Interests of Experts”.
- (2) 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.
- (5) Includes the estimated fees expected to be paid to Deloitte for the year ended December 31, 2024 audit, which has been quoted in C\$ and has been converted into US\$ based on the December 31, 2024 exchange rate as reported by the Bank of Canada of US\$1.00 for every C\$1.4389.
- (6) Includes fees paid to Deloitte for the six month period ended December 31, 2022 audit.
- (7) Includes \$37,575 fee paid to Baker Tilly for the quarterly review conducted for the year ended June 30, 2022 and \$142,059 fees paid to Deloitte for the year ended June 30, 2022 audit.
- (8) Represents fee incurred by Baker Tilly in connection with the preparation of the registration statement on Form 40-F that the Company filed with the Securities and Exchange Commission in February 2022.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

- (a) any director or executive officer of the Company;
- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company’s outstanding Common Shares; and
- (c) any associate or affiliate of any of the foregoing persons.

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

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

### Legal Proceedings

From time to time, the Company is the involved in litigation arising out of the Company’s operations. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact the Company’s financial condition or results of operations. While the Company assesses the merits of each lawsuit and assert its interests or defends itself accordingly, the Company may be required to incur significant expenses or devote significant resources to pursue or defend itself against such litigation. Except as disclosed herein or elsewhere in this AIF, there are no legal proceedings or regulatory actions pending or known by the Company to which it is a party or in respect of which any of the properties of the Company are subject that are anticipated to be material to the Company and its subsidiaries taken as a whole. In the summary provided below, the Company has provided the estimates with respect to each claim where such an estimate is available; however, the estimates provided are not indicative of the probability of the final outcome.

### **InfiniteEARTH and shareholders of InfiniteEARTH Dispute**

In October 2024, the Company commenced an arbitration administered by the International Centre of Dispute Resolution against InfiniteEARTH in accordance with the Rimba Raya Stream; and against the shareholders of InfiniteEARTH Limited in accordance with the SAA. The arbitration has since been bifurcated into two arbitration proceedings, dealing with (i) the Rimba Raya Stream; and (ii) the SAA.

In October 2024, the Company also issued a Notice of Action in the Ontario Superior Court of Justice seeking declaratory relief against the principals of InfiniteEARTH Limited and their related entities, seeking to enforce its rights in relation to guarantees and non-competition agreements related to the Rimba Raya Stream and the SAA. Some of the defendants have counterclaimed. The dispute between the Company and InfiniteEARTH arises out of acts and omissions that the Company alleges are improper and in breach of the Rimba Raya Stream, the SAA and related agreements. Delivering the Notice of Arbitration and issuing the Notice of Action in the Ontario Superior Court of Justice are important steps in preserving the Company's legal and contractual rights.

### **Termination of Sustainable Community Stream**

The Company entered into a purchase and sale agreement dated June 20, 2022 (the "**Sustainable Community Stream**") with Will Solutions Inc. to scale its Sustainable Community project in Quebec, Canada and to develop and scale its Sustainable Community project in Ontario, Canada. As at December 31, 2024, \$4.0 million of the upfront deposit had been paid.

In the third quarter of 2024, the Company exercised its contractual rights to terminate the Sustainable Community Stream as a result of, among other things, the failure of Will Solutions Inc. to meet its milestone related to the registration of its Ontario project and its failure to develop and implement the project in accordance with the project plan (including continued delays in project development activities and lower-than-expected project enrollments). The Company intends to strictly enforce its legal and contractual rights under the Sustainable Community Stream and seeks to recover its initial investment through mediation and arbitration proceedings.

### **Citadelle Maple Syrup Producers' Cooperative Dispute**

On December 23, 2024, the Company filed a lawsuit against Citadelle Maple Syrup Producers' Cooperative ("**Citadelle**") in Ontario for the return of the upfront funding provided by the Company to Citadelle in connection with a planned grouped sugar maple afforestation, reforestation, revegetation and ecosystem restoration project in Quebec, Canada. Pursuant to the term sheet entered into with Citadelle on July 12, 2022, if a carbon streaming purchase and sale agreement relating to the project was not executed by December 31, 2022, then the defendant is required to repay the full amount of the upfront funding (approximately \$307,000) plus a 12% annualized return, compounded. The initial funding from Carbon Streaming enabled Citadelle to achieve initial planting in the Fall 2022 and was intended to support additional plantings.

## 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.

## TRANSFER AGENT AND REGISTRAR

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

## MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the Investor Rights Agreement was the only material contract entered into by the Company which is considered to be material. A copy of the Investor Rights Agreement is available for review on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Investor Rights Agreement**

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

#### *Board Nomination Right*

Pursuant to the Investor Rights Agreement, Osisko shall be entitled to nominate, on an annual basis, one (1) nominee for election to the Company's Board for so long as, (i) until the date that is three (3) years from the date of the Investor Rights Agreement, Osisko, together with its affiliates, does not hold less than an aggregate of 2,160,000 Common Shares and Warrants on a post-Consolidation basis and (ii) at any time after the date that is three (3) years from the date of the Investor Rights Agreement, the percentage of outstanding Common Shares beneficially owned directly or indirectly by Osisko, together with its affiliates, is not less than 7.5% of the outstanding Common Shares (calculated on a partially diluted basis) ((i) and (ii), the "**Ownership Conditions**"). As of the date hereof, Osisko's right to nominate one (1) nominee for election to the Company's Board is in place. In 2024, Ms. MacGibbon, a former director of the Company and Osisko's nominee to the Company's Board did not stand for re-election and Osisko did not exercise its right to nominate a nominee to the Company's Board.

### *Participation Rights*

**Pre-emptive Right.** Under the Investor Rights Agreement, the Company will also grant to Osisko certain equity financing rights to participate in future offerings of any new securities by the Company. Provided that Osisko meets the Ownership Conditions, 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 favourable than those provided to the other subscribers of such New Securities, up to an amount sufficient to maintain Osisko’s aggregate pro rata ownership interest in the outstanding Common Shares.

**Stream Participation Right.** Provided that Osisko meets the Ownership Conditions, Osisko shall 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.

As of the date of this AIF, Osisko has participated in the Magdalena Bay Blue Carbon Stream. While Osisko had previously elected in principle to participate in the Rimba Raya Stream, in November 2023 Osisko provided notice to the Company that it would not proceed with exercising its right to participate in the stream.

### *Voting Support*

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

## INTERESTS OF EXPERTS

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

## ADDITIONAL INFORMATION

This information and other pertinent information relating to the Company may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Additional financial information is provided in the Company’s financial statements and MD&A for its most recently audited financial year ended December 31, 2024. Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities

authorized for issuance under its Incentive Plan, among other things, is contained in the Company's information circular for its most recent annual meeting of Shareholders that involved the election of directors.

## Forward-Looking Information

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

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

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

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

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



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

- the regulatory framework governing carbon credits, streaming and royalty agreements and related matters in the jurisdictions in which the Company conducts or may conduct its business in the future and where its carbon credits projects are located and carbon credits 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, supply of carbon credits, demand for carbon credits, growth in carbon markets and anticipated carbon pricing;
- future global economic and financial conditions;
- future expenses and capital expenditures to be made by the Company;
- future sources of funding for the Company's business;
- the impact of competition on the Company; and
- the Company's ability to obtain financing on acceptable terms.

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

- general economic, market and business conditions and global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- volatility in prices of carbon credits and demand for carbon credits;
- change in social or political views towards climate change, carbon credits and environmental, social and governance initiatives and subsequent changes in corporate or government policies or regulations and associated changes in demand for carbon credits;
- the Company's expectations and plans with respect to current litigation, arbitration and regulatory proceedings;
- limited operating history for the Company's current strategy;
- concentration risk;
- inaccurate estimates of growth strategy;
- dependence upon key management;
- impact of the Restructuring;
- reputational risks;
- risks arising from competition and future acquisition activities;
- failure or timing delays for projects to be registered, validated and ultimately developed and for emission reductions or removals to be verified and carbon credits issued;
- changes in local legislation and regulations and/ or direct government intervention and government policies including related to NDCs under the Paris Agreement;
- foreign operations and political risks including actions by governmental authorities, including changes in or to government regulation, taxation and carbon pricing initiatives;
- uncertainties and ongoing market developments surrounding the validation and verification requirements of the voluntary and/or compliance markets and the rules and requirements of the Standard Bodies and Registries;

- due diligence risks, including failure of third parties' reviews, reports and projections to be accurate;
- dependence on project partners, operators and owners, including failure by such counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties and /or the ability of project partners, operators and owners to access the financial, technical and operating resources to complete the development of the project;
- failure of projects to generate carbon credits, or natural disasters such as flood or fire which could have a material adverse effect on the ability of any project to generate carbon credits;
- volatility in the market price of the Common Shares or Warrants;
- the effect that the issuance of additional securities by the Company could have on the market price of the Common Shares or Warrants;
- global health crises, such as pandemics and epidemics, and
- the other factors discussed under "*Risk Factors*".

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

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

## Market Data

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

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

## GLOSSARY OF CERTAIN TERMS

In this AIF, the following words or phrases have the following meanings. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders:

**“ACoGS”** means avoided conversion of grasslands and shrublands.

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

**“AGE Africa”** means Advancing Girls’ Education in Africa.

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

**“Amazon Portfolio”** means four REDD projects located throughout the Brazilian Amazon.

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

**“Awards”** means, collectively, Options, RSUs and PSUs.

**“Azuro Reforestation Stream”** means the purchase and sale agreement entered into on May 21, 2024 and amended on November 23, 2024 among the Company, Microsoft Corporation (**“Microsoft”**), Rubicon Carbon Capital LLC (**“Rubicon”**) Azuro Reforestation Colectiva, S.A. (**“ARC”**), a wholly owned subsidiary of Ponterra Ltd. (**“Ponterra”**).

**“Baccala Ranch Reforestation Stream”** means the purchase and sale agreement entered into on February 7, 2024 among the Company, Mast and the parent company of Mast, Droneseed Co. d/b/a Mast Reforestation, which was terminated by Mast on March 27, 2025.

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

**“BCI”** means the Bonobo Conservation Initiative.

**“Biochar”** means biological charcoal, a stable, porous, near-pure form of carbon which remains inert for centuries. Carbon credits are generated from the biochar’s ability to store carbon and prevent the release of CO<sub>2</sub> into the atmosphere.

**“Board”** means the Company’s board of directors, as constituted from time to time.

**“Bonobo Peace Forest Projects”** means the Kokolopori Bonobo Peace Forest Grouped REDD Project and the Sankuru Peace Forest Grouped REDD Project, located within the Kokolopori Bonobo Reserve and the Sankuru Nature Reserve, respectively, in the Bonobo Peace Forest, a network of community-managed protected areas in the Democratic Republic of the Congo.

**“Bonobo Peace Forest Royalty”** means the 6.25% royalty agreement between the Company and BCI covering the carbon credit revenues generated from the Bonobo Peace Forest Projects.

**“CAR”** means Climate Action Reserve.

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

**“Carbon Fund Advisors”** means Carbon Fund Advisors Inc.

**“Carbon Streaming”** or the **“Company”** means Carbon Streaming Corporation.

**“Cboe Canada”** means Cboe Canada, formerly named the Neo Exchange Inc.

**“CCB Standards”** means the Climate, Community and Biodiversity Standards.

**“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.

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

**“Citadelle”** means Citadelle Maple Syrup Producers’ Cooperative.

**“CIX”** means Climate Impact X’s CIX Exchange.

**“CO<sub>2</sub>”** means carbon dioxide.

**“CO<sub>2e</sub>”** 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.

**“Community Carbon Stream”** means the purchase and sale agreement which closed on August 16, 2022 among the Company, Community Carbon and UpEnergy.

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

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

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

**“CORCs”** means CO<sub>2</sub> removal certificates, the carbon credit unit of the Puro.earth Registry.

**“Core CarbonX”** means collectively, Core CarbonX Pte. Ltd. and its services provider, Core CarbonX Solutions Private Limited.

**“CORSIA”** means the Carbon Offsetting and Reduction Scheme for International Aviation.

**“Ecologica”** means Ecologica Assessoria Ltda. and its affiliates.

**“Ecologica Amazon Royalty”** means the 4.25% royalty agreement between the Company and Ecologica covering the carbon credit revenues generated by Ecologica from its interest in the Ecologica Portfolio.

**“Ecologica Portfolio”** means the the Yellow Ipê Grouped REDD Project (Verra ID 2373), the ABC Norte REDD Project (Verra ID 2558) and the Gairova REDD Project (Verra ID 2870) located in the Brazilian Amazon.

**“Enfield Biochar Stream”** means the purchase and sale agreement entered into on November 1, 2022 between the Company and Standard Biocarbon.

**“Enfield Biochar Royalty”** means the royalty agreement entered into on November 1, 2022 between the Company and Standard Biocarbon.

**“ERA”** means ERA Cerrado Assessoria e Projectos Ambientais Ltd.

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

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

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

**“Feather River Reforestation Stream”** means the purchase and sale agreement entered into on September 14, 2023 among the Company, Mast and the parent company of Mast, Droneseed Co. d/b/a Mast Reforestation.

**“FC Amazon Royalty”** means the 7% royalty agreement between the Company and Future Carbon covering the carbon credit revenues generated by Future Carbon from its interest in the Future Carbon Portfolio.

**“Future Carbon Portfolio”** means the Rio Madeira REDD Project (Verra ID 2878) located in the Brazilian Amazon.

**“FMU”** means Forecast Mitigation Unit under CAR’s Climate Forward program.

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

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

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

**“GHG”** means greenhouse gas.

**“IFRS Accounting Standards”** means IFRS® Accounting Standards as issued by the International Accounting Standards Board.

**“Impact Fund”** means the fund created by Community Carbon that is jointly funded from a portion of the carbon credit sales revenue from the projects over the life of the Community Carbon Stream.

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

**“InfiniteEARTH”** means InfiniteEARTH Limited and InfiniteEARTH Nusantara.

**“InfiniteEARTH Nusantara”** means PT InfiniteEARTH Nusantara, the wholly-owned Indonesian subsidiary of InfiniteEARTH.

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

**“Magdalena Bay Blue Carbon Stream”** means the amended and restated purchase and sale agreement entered into on July 24, 2023, among the Company, Fundación MarVivo Mexico, A.C. and MarVivo Corporation.

**“Magdalena Bay Blue Carbon Stream Participation Royalty”** means the amended and restated royalty agreement entered into on December 7, 2023, between the Company and Osisko.

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

**“Mast”** means Mast Reforestation SPV I, LLC, a Delaware limited liability company.

**“Nalgonda Rice Farming Stream”** means the purchase and sale agreement entered into on September 28, 2022 between the Company and Core CarbonX.

**“NDC”** means Nationally Determined Contribution.

**“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 *“Description of Capital Structure —Options, Restricted Share Units and Performance Share Units”*.

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

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

“**Pipeline Agreement**” means the pipeline streaming framework agreement entered into on May 9, 2023 among the Company, Mast and the parent company of Mast, Droneseed Co. d/b/a Mast Reforestation.

“**Project Documents**” means the project documents submitted to a Standard Body.

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

“**PSU**” means a performance share unit 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.

“**PYREG**” means PYREG GmbH, a German net-zero technology engineering and manufacturing company.

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

“**Reg 21**” means Indonesia’s Regulation 21.

“**Reg 98**” means Indonesia’s Regulation 98 enacted and became effective on October 29, 2021.

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

“**Restructuring**” means the Company’s restructuring initiatives first announced in 2023 and continuing in 2024. See “*Description of the Business – Reorganizations*”.

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

“**RSU**” means a restricted share unit of the Company issued pursuant to and governed by the Company’s Incentive Plan; each RSU typically entitling the recipient to receive Common Shares, for no additional cash consideration, 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 InfiniteEARTH Limited and 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.sedarplus.ca](http://www.sedarplus.ca).

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

“**SEMARNAT**” means the Secretariat of Environment and Natural Resources, Mexico’s environment ministry.

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

**“Sheep Creek Reforestation Stream”** means the purchase and sale agreement entered into on May 9, 2023 among the Company, Mast and the parent company of Mast, Droneseed Co. d/b/a Mast Reforestation.

**“SocialCARBON Standard”** means a framework developed in Brazil by the Ecológica Institute, to monitor social, environmental and economic Co-Benefits through 18 indicators.

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

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

**“Standard Body”** means a governing body making final and binding determinations under a Standard.

**“Standard Biocarbon”** means Standard Biocarbon Corporation.

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

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

**“tCO<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.

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

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

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

**“UpEnergy”** means UpEnergy Group.

**“Verra”** means Verra, an international institution based in Washington D.C. that manages a Standard and Registry.

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

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



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

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

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

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

“**Waverly Biochar Royalty**” means the royalty agreement entered into on July 25, 2023 between the Company and Waverly RB, a subsidiary of Restoration Bioproducts LLC.

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

APPENDIX "A"  
AUDIT COMMITTEE CHARTER

See attached



## AUDIT COMMITTEE CHARTER

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

### **Section 1 Purpose**

- (1) The primary function of the Committee is to assist the Board by:
  - (a) recommending to the Board for consideration and further recommendation to the shareholders the appointment and compensation of the external auditor and overseeing the work of the external auditor, including the external auditor’s qualifications, independence and performance;
  - (b) reviewing and approving the quarterly financial statements, the related Management Discussion and Analysis (“**MD&A**”), and similar financial information provided by the Corporation to any governmental body, the shareholders of the Corporation or the public, including by way of press release;
  - (c) reviewing and recommending that the Board approve annual financial statements, the related MD&A, and similar financial information provided by the Corporation to any governmental body, the shareholders of the Corporation or the public, including by way of press release; and
  - (d) satisfying itself that adequate procedures are in place for the compilation, calculation and review of the Corporation’s disclosure of financial information extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures; and
  - (e) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and for anything that may be required beyond the Corporation’s Whistleblower Policy for the confidential, anonymous submission by employees of the Corporation or its subsidiary entities (“**subsidiaries**”) of concerns regarding questionable accounting or auditing matters.
- (2) The Committee should primarily fulfill these roles by carrying out the activities enumerated in this Charter.

## **Section 2          Composition and Membership**

- (1) The Committee must be comprised of a minimum of three directors, as appointed by the Board, each of whom shall be independent within the meaning of National Instrument 52-110 — *Audit Committees* (“**NI 52-110**”) of the Canadian Securities Administrators.
- (2) All of the members of the Committee must be financially literate within the meaning of NI 52-110. Being “financially literate” means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements.
- (3) The members of the Committee and its Chair shall be elected by the Board on an annual basis, or until they are removed or their successors are duly appointed.
- (4) The members of the Committee may be removed or replaced by the Board at any time. The Chair of the Committee may be removed by the Board at any time. Any member shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of the powers of the Committee, so long as a quorum remains.

## **Section 3          Meetings**

- (1) Meetings of the Committee are held at such times and places as the Chair may determine, but in any event not less than at least four times per year.
- (2) Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon 48 hours’ notice to each of its members. The notice period may be waived by all members of the Committee. Each of the Chair of the Board, the external auditor, the Chief Executive Officer, the Chief Financial Officer or the Corporate Secretary shall also be entitled to call a meeting.
- (3) The Chair, if present, will act as the chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee, the Members in attendance may select one of their number to act as chair of the meeting.
- (4) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee are made by an affirmative vote of the majority of members present at the meeting. The Chair will not have a deciding or casting vote in the case of an equality of votes. In the case of a deadlock, the Chair will refer the matter to the Board. 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: February 13, 2023  
Approved by: Board of Directors of the Corporation