



Carbon Neutral Royalty

CARBON NEUTRAL ROYALTY ANNOUNCES STRATEGIC BLUE CARBON PARTNERSHIP WITH BIG BLUE OCEAN CLEAN UP

FOR IMMEDIATE RELEASE
March 8, 2022

London, United Kingdom: Carbon Neutral Royalty Ltd. ("**CNR**" or the "**Company**") (Private) is pleased to announce that it has entered into an Investment Agreement Partnership with Big Blue Ocean Clean Up, the United Kingdom headquartered non-profit organization with offices in Canada, Australia, and Malaysia ("**Big Blue**") for the establishment and conservation of Marine Nature Reserves and co-development of carbon sequestration projects in coastal and marine ecosystems. The partnership will initially operate within the United Kingdom.

PARTNERSHIP HIGHLIGHTS:

- **Enhanced Exposure to Blue Carbon Credit Portfolio:** A strategic partnership for the establishment and conservation of Marine Nature Reserves which store carbon in coastal and marine ecosystems
- **Financing solution:** Carbon Neutral, subject to economic assessment, will provide project financing in exchange for the carbon credits generated by each project.
- **Long term partnership:** A four-year partnership and right of first refusal on all Blue Carbon projects identified and managed by Big Blue
- **Significant Scalability:** Big Blue runs thousands of cleanups in over 100 countries each year, with offices in Canada, the UK, Australia, and Malaysia

Brett Heath, non-executive chairman, commented, "We decided to partner with Big Blue Ocean Clean Up as one of the world's leading ocean clean up non-profit organizations. Big Blue has started the process of building new Marine Nature Reserves across the British Isles, and we are delighted to have been selected as the financing partner of choice across all Blue Carbon initiatives."

TRANSACTION

CNR and Big Blue will work exclusively to establish and conserve Marine Nature Reserves and co-develop projects that store carbon in coastal and marine ecosystems. Sequestration activities include active restoration, passive restoration, and conservation of intact Blue Carbon projects, including enrichment planting of degraded areas such as seagrass or kelp. Subject to certain hurdle rates and economic assessments, CNR would finance the establishment of each Marine Nature Reserve in consideration for 100% of the Carbon Credits generated by each project.

BLUE CARBON

Blue Carbon, captured by the world's oceans, represents more than 55% of the green carbon (captured by plants). The carbon captured by living organisms in oceans is stored in the form of sediments from mangroves, salt marshes, and seagrasses. It typically remains stored for millennia, unlike land-based forestry. The ocean is the most effective carbon climate mitigator, circulating 83% of global carbon. Its algae production and mangrove shorelines are vital for contributing to climate restoration and conservation. Mangrove restoration projects have the highest effect on mitigation and maintaining biodiversity, promoting life-bearing ecosystems. They are ten times more productive at sequestering carbon per hectare than terrestrial forests and provide significant co-benefits. Mangroves significantly improve biodiversity by providing a rich habitat for marine and bird nurseries. Fish stocks typically have increased by 50% where mangroves have been restored and directly responsible for improving water quality. Mangroves can stabilize shorelines and guard against erosion, and vegetation cover typically leads to better soil conditions.

Blue Carbon projects generate the most substantial value for financing and carbon income with existing Blue Carbon projects credits that recently have sold at \$34/t).

ABOUT CARBON NEUTRAL ROYALTY

CNR was founded in July 2021 by an experienced team and is assembling a high-quality, long-life, portfolio of carbon credit streams and royalty projects worldwide. Our goal is to increase shareholder value by adding accretive acquisitions to our diversified portfolio of assets, focusing on the most experienced developers.

For further information, please visit our website at www.carbonneutraltd.com

ON BEHALF OF CARBON NEUTRAL ROYALTY LTD.

(signed) "Brett Heath"

CONTACT INFORMATION

Carbon Neutral Royalty Ltd.

Brett Heath, Non-Executive Chairman
Email: info@carbonneutraltd.com

Kristina Pillon, Investor Relations

Phone: 604-908-1695

Email: kristina.pillon@carbonneutralltd.com

Website: <https://www.carbonneutralltd.com/>

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements and forward-looking information within the meaning of United States and Canadian regulations. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information include, but are not limited to, statements with respect to expected scope of the Investment Agreement and the projects that it covers; Big Blue Ocean Clean Up's plans to establish new foundations in other countries and the expected timing thereof; Big Blue Ocean Clean Up's plans to increase the areas for restoration and conservation and the expected timing thereof; the expected production of verified carbon units to CNR's account over the life of the projects; the expected productivity and cost of Blue Carbon restoration projects; the future production and cost of verified carbon units; the future receipt of verified carbon units to CNR's account over the life of the projects subject to the Investment Agreement; CNR's future access to carbon streaming interests on Big Blue Ocean Clean Up projects; CNR's future entitlement to verified carbon credits under the Investment Agreement and the amounts and timing thereof; and the use of proceeds from the sale of carbon credits. Forward-looking statements and information are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties, and contingencies.

Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of CNR to control or predict, that may cause CNR's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to: the risk that the Investment Agreement may not cover its intended geographic scope; risks associated with the impact of general business and economic conditions; the risk that the Company's carbon stream and carbon credits may not be recognized by applicable government authorities, the risks of carbon credits being traded in an emerging marketplace, including risks related to international operations, government and environmental regulation, delays in carbon credit production from the projects on which the Company holds carbon credit interests, actual results of the projects wherein CNR holds carbon credit interests, conclusions of economic evaluations and changes in project parameters as plans are refined; problems related to the ability to market carbon credits, including price fluctuations, interest and exchange rate fluctuations; interpretation by government entities of tax laws or the implementation of new tax laws; regulatory, political or economic developments in any of the countries where properties in which CNR holds a carbon revenue streams or other interest in carbon credits are located or through which they are held; risks related to the operators of the properties in which CNR holds a royalty or carbon stream or other carbon credit interest, including changes in the ownership and control of such operators; risks related to global pandemics, including the novel coronavirus (COVID-19) global health pandemic, and the spread of other viruses or pathogens; influence of macroeconomic developments; business opportunities that become available to, or are pursued by CNR; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which CNR holds a royalty, stream or other carbon credit interest;; competition; future sales or issuances of debt or equity securities; use of proceeds; enforcement of civil judgments; and risks relating to CNR potentially being a passive foreign investment company within the meaning of U.S. federal tax laws; and other risks and uncertainties disclosed in company documentation. CNR undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.