



Carbon Neutral Royalty

CARBON NEUTRAL ROYALTY ACQUIRES CARBON CREDIT STREAM ON THE MOZBAN PROJECT

FOR IMMEDIATE RELEASE
March 7, 2022

London, United Kingdom: Carbon Neutral Royalty Ltd. (“**CNR**” or the “**Company**”) (Private) is pleased to announce it has entered into an Investment Agreement Partnership with Mozban Limitada (“**Mozban**”) for the development of a 30,960 hectare REDD+ avoided deforestation & sustainable agriculture carbon offset project in Inhambane, Mozambique. Mozban holds the project area under a 49-year lease which can be further extended.

INVESTMENT HIGHLIGHTS:

- CNR will fund the development of the project for up to an estimated \$335,000.
- Project length of 49 years with the right to extend the project for successive 10-year periods.
- Third party pre-feasibility study completed, estimating an average of 25,000-35,000 Verified Carbon Units (“**VCU**”) per year over a 20-year period under the Verra VCS Standard with the potential for an average of 75,000 VCUs/annum.
- The project feasibility remains subject to further assessments and a project design document.
- CNR will be entitled to receive 100% of the issued credits until a compounded annual return on investment of 10% is received. Thereafter, CNR will be entitled to receive 50% of all credits produced over the life of the project.
- Estimated start date in 2024
- CNR will be entitled to receive 15% of all issued credits on future projects developed by Mozban in Mozambique for no additional payment.

Brett Heath Chairman of Carbon Neutral Royalty commented “Mozambique has 40 million hectares of forests and a high rate of deforestation. CNR plans to develop a conservation and Sustainable Agricultural Land Management (SALM) project in the heart of northern Mozambique, using a repeatable framework for potential future expansion”

The REDD+ Framework developed by the UN convention on Climate Change will be used to define the project. The project is anticipated to be certified through the Verra Verified Carbon Standards.

ABOUT MOZBAN

Mozban holds a long-term lease on several parcels in Southern Mozambique Inhambane province covering a total area of 30,960 hectares. This area is used for extensive cattle ranching on semi-natural, degraded dry forest with grasslands (savannah), which could become a conservation & Sustainable Agricultural Land Management (SALM) project. The project owner has a management team on the ground and other land holdings in Southern Mozambique. This experience and other land holdings provide the potential opportunity for a diversified investment in carbon, agroforestry, and other project activities beyond cattle grazing. The project has the potential to be a grouped project and expand in future instances to further grazing areas.

ABOUT CARBON NEUTRAL ROYALTY

Carbon Neutral Royalty 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 across the world. 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.carbonneutral ltd.com.

ON BEHALF OF CARBON NEUTRAL ROYALTY LTD.

(signed) “Brett Heath”

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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; the extension of the lease on the Mozban project area; future funding and development of the Mozban project; the estimated rate and duration of VCU production; the future receipt by CNR of carbon credits and the timing thereof; the estimated start date of the Mozban project; the use of the REDD+ framework to develop the Mozban project; the future certification of the Mozban project through Verra Verified Carbon Standards; the future expansion of CNR's portfolio of carbon credit streams and royalty projects and their anticipated lifespan and quality.

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 partnership agreement term sheet may not cover its intended 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 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.