



Carbon Neutral Royalty

CARBON NEUTRAL ROYALTY ANNOUNCES STRATEGIC BLUE CARBON PARTNERSHIP WITH MARIS LTD

FOR IMMEDIATE RELEASE
March 3, 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 term sheet with Maris Ltd (“**Maris**”) and the Maris group of companies for the origination and co-development of Blue Carbon credit projects in coastal and marine ecosystems. The partnership will operate within the Maris group of companies’ operational zones including Kenya, Tanzania, Angola and the DRC (“**Partnership Region**”) and will exclude project locations where CNR has other international partners.

PARTNERSHIP HIGHLIGHTS:

- **Enhanced Exposure to Blue Carbon Credit Portfolio:** Partnership provides CNR exposure to future Blue Carbon project co-development concessions through government MOUs, targeting highly degraded areas.
- **High-Margin Projects:** Partnership agreement will lock in planting costs for CNR on future projects at cost plus 10%. Blue Carbon restoration projects are up to ten times more productive at sequestering carbon per hectare than terrestrial forests at 1/3 of the planting cost. Existing mangrove restoration projects have recently traded up to US\$34/t.
- **Blue Carbon Platform:** Maris to benefit from CNR’s Blue Carbon Ecosystem, including operational best practice and R&D.
- **Significant Scalability:** Maris’ pan-African expertise provides Carbon Neutral with the ability to implement projects across multiple countries in parallel.
- **Community Enrichment:** Partnership will ensure a significant share of credit production will be allocated to project area communities and governments.

Brett Heath, non-executive chairman commented, “Maris is a highly reputable investor across Africa with a substantial portfolio of forestry and agroforestry businesses. CNR will benefit from Maris’s presence across vital African Blue Carbon jurisdictions, allowing CNR to co-develop mangrove restoration and seagrass conservation projects at scale”.

Charlie Tryon, co-founder & CEO of Maris commented “This partnership is an exciting opportunity to achieve significant environmental impact while benefitting local communities and generating attractive financial returns. We’re delighted to be working with such an experienced investor as CNR.”

TRANSACTION

Maris will work exclusively as a developer with CNR in the partnership region to identify and develop new Blue Carbon projects. Both parties will enter into Memorandum's of Understanding (“**MOU**”) with respective governments within the Partnership region to develop projects for conservation of Blue Carbon stocks and rehabilitation through enrichment planting of degraded areas. CNR and Maris will share the costs of verification and monitoring while Maris will charge CNR 10% of the planting costs for CNR's share of the project, as incurred. The term of the agreement will be three years and may be extended.

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 its contribution to climate restoration and conservation. Mangrove restoration projects, which have the highest effect on mitigation, as well as maintaining biodiversity and promoting life-bearing ecosystems, are ten times more productive at sequestering carbon per hectare than terrestrial forests and provide significant co-benefits. Mangroves tend to 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 are directly responsible for the improvement of water quality. Mangroves can stabilize shorelines and guard against erosion, and vegetation cover typically leads to better soil conditions.

MARIS LTD

[Maris](#) is a diversified investment holding company with operating companies in 5 divisions across 11 sub-Saharan African countries. Agris, the company's agricultural and forestry division is developing carbon offset projects, including at Equatoria Teak Company, South Sudan, which manages more than 2,300 ha of teak plantations. As a long-term investor, Maris is committed to delivering environmental sustainability, positive social impact and long-term financial growth to help shape a bright future for Africa.

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 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.carbonneutraltd.com

ON BEHALF OF CARBON NEUTRAL ROYALTY LTD.

(signed) "Brett Heath"

CONTACT INFORMATION

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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 and the projects that it covers; Maris Capital's plans to establish new foundations in other countries and the expected timing thereof; Maris Capital'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 Maris Capital 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 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.

