EVERGEN INFRASTRUCTURE CORP.

ANNUAL INFORMATION FORM

For the fiscal year ended December 31, 2023

Dated April 22, 2024

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GLOSSARY

In this Annual Information Form, the following capitalized terms have the following meanings, in addition to other terms defined elsewhere in this Annual Information Form.

"ABCA" means the *Business Corporations Act* (Alberta), as may be amended from time to time.

"**Acquired Businesses**" means collectively, the businesses acquired by the Company pursuant to the Acquisitions.

"**Acquisitions**" means collectively, the PCR Acquisition, the SSS Acquisition, the FVB Acquisition and the GrowTEC Acquisition.

"**AD**" means anaerobic digestion.

"**Articles**" means the Articles of Incorporation of the Company dated May 13, 2020, as may be amended from time to time.

"**Audit Committee**" means the Audit Committee of the Board.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as may be amended from time to time.

"**Board**" means the board of directors of the Company.

"**Clarus**" means Clarus Securities Inc.

"**Common Share**" means a common share in the capital of the Company, as currently constituted.

"**Desjardins**" means Desjardins Securities Inc.

"**DSU**" means a deferred share unit of the Company which is convertible into treasury Common Shares or, upon the joint election of the Company and the Participant, a cash payment or a combination thereof, granted pursuant to the Equity Incentive Plan.

"**Equity Incentive Plan**" means the stock option and other Equity Incentive Plan of the Company adopted by the Board on March 18, 2021, as amended from time to time.

"**EverGen**" or the "**Company**" means EverGen Infrastructure Corp., a company formed under the laws of British Columbia.

"**Exercise Deadline**" means July 19, 2021.

"**FVB**" means Fraser Valley Biogas Ltd., a corporation existing under the BCBCA and a wholly owned subsidiary of EverGen.

"**FVB Acquisition**" means the acquisition of FVB by the Company.

"**GJ**" means gigajoules.

"**GJ/d**" means gigajoules per day.

"**GrowTEC**" means Grow the Energy Circle Ltd., a corporation existing under the ABCA and a 67% owned subsidiary of EverGen.

"**GrowTEC Acquisition**" means the acquisition of 67% of the outstanding shares of GrowTEC by the Company.

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board and the interpretations thereof by the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee.

"**Investor Relations Activities**" has the meaning assigned by TSXV Policy 1.1 – *Interpretation*.

"**Listing Date**" means August 4, 2021, the date the Common Shares of EverGen were publicly traded on the Toronto Stock Exchange Venture.

"**MD&A**" means management's discussion and analysis of financial condition and operating results.

"**Mtoe**" means million tonnes of oil equivalent.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"**Nomination, Governance, Human Resources and Compensation Committee**" means the Nomination, Governance, Human Resources and Compensation Committee of the Board.

"**Option**" means an option of the Company to purchase a Common Share issued pursuant to the Equity Incentive Plan.

"**OTCQX**" means the OTCQX Best Market in the United States of America.

"**PCR**" means Pacific Coast Renewables Corp. (formerly Net Zero Waste Abbotsford Inc.), a corporation existing under the BCBCA and a wholly owned subsidiary of EverGen.

"**PCR Acquisition**" means the acquisition of PCR by the Company.

"**Predecessor Entities**" means PCR and SSS.

"**Principal**" has the meaning ascribed to such term under NP 46-201.

"**PSO**" means Prairie Sky Organics Limited, a corporation existing under the SBCA and a wholly owned subsidiary of EverGen.

"**PSU**" means a performance share unit of the Company which is convertible into a Common Share pursuant to the PSU Plan.

"**PSU Plan**" means the performance share unit plan adopted by the Company on December 30, 2020.

"**RNG**" means renewable natural gas.

"**RSU**" means a restricted share unit of the Company which is convertible into Common Shares, cash payment or a combination of Common Shares and a cash payment, issued pursuant to the Equity Incentive Plan.

"**Safety and Sustainability Committee**" means the Safety and Sustainability Committee of the Board.

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval Plus.

"**Special Warrant**" means a previously issued special warrant of the Company pursuant to the Special Warrant Financing.

"**Special Warrant Agents**" means Desjardins and Clarus, who acted as agents in connection with the Special Warrant Financing.

"**Special Warrant Units**" means 1,059,325 units of the Company, which were issued on July 20, 2021, with each such unit comprised of one Special Warrant Unit Share and one half of one Special Warrant Unit Warrant.

"**SSS**" means Sea to Sky Soils and Composting Inc., a corporation existing under the BCBCA and a wholly owned subsidiary of EverGen.

"**SSS Acquisition**" means the acquisition of SSS by the Company.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time.

"**TSXV**" means TSX Venture Exchange Inc.

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**Whistleblower Policy**" means the Whistleblower Policy of the Company adopted by the Board on March 18, 2021.

Further terms are defined herein, such terms are indicated by use of Capitalization and quotation marks ("example")

ANNUAL INFORMATION FORM

In this Annual Information Form, unless otherwise noted or the context indicates otherwise, the “Company”, “EverGen”, “we”, “us”, “its” and “our” refer to EverGen Infrastructure Corp.

Reference is made in this Annual Information Form to the Financial Statements and the MD&A for the Company for the year ended December 31, 2023, together with the auditors’ report thereon. The Financial Statements and MD&A are available for review under the Company’s SEDAR+ profile at www.sedarplus.ca. All financial information in this Annual Information Form is prepared using IFRS as issued by the International Accounting Standards Board unless otherwise specified herein. The information contained herein is dated as of April 22, 2024, unless otherwise stated.

All currency amounts in this Annual Information Form are expressed in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This Annual Information Form (“**AIF**”) contains forward-looking information and forward-looking statements (collectively, “**forward-looking statements**”) within the meaning of applicable securities laws that are based on certain assumptions and analysis made by the Company’s management as of the date of this AIF, including the Company’s current expectations, estimates, projections, assumptions and beliefs. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget” or “budgeted”, “scheduled”, “estimates”, “projects”, “intends”, “proposes”, “complete”, “anticipates” or “does not anticipate”, “believes”, “likely”, “may”, “will”, “should”, “intend”, “anticipate”, “proposed”, “potential”, or variations of such words and phrases or state that certain actions, events, or results “may”, “can”, “could”, “would”, “might”, “will be taken”, “occur”, or “be achieved”, and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. Forward-looking statements in this Annual Information Form include, but are not limited to, statements with respect to: the performance of the Company’s business and operations, including its ability to continue as a going concern; the ability of the Company to execute on its mission, strategy, goals and primary business objectives; the Company’s view that it may become engaged in discussions and negotiations with respect to future potential acquisition or investment opportunities; the Company’s competitive position and the environment in which it operates, including opportunities for market expansion; anticipated trends and challenges in the Company’s business and the market in which it operates, such as growing circular economy expectations regarding organics diversion rates; the Company’s belief that it has identified a strong pipeline of potential RNG projects and acquisition opportunities; the Company’s belief that its market, industry and economic data are accurate and that its estimates and assumptions are reasonable; statements concerning the Company’s expectations of future relationships as well as the size and nature of the market for the Company’s products and services; statements regarding the Company’s objectives, visions and corporate strategies; statements regarding the Company’s products and the cost and timing to develop and bring to market such products; statements concerning the Company’s prospective sales, market penetration and the capabilities and benefits of its products; statements regarding the timing of the Company’s sales and revenues; statements regarding the receipt of certifications and the timing thereof; statements regarding the Company’s internal controls and the adequacy thereof; statements regarding its intellectual property; statements regarding the Company’s competitors and the challenges competing products may face; statements in respect of regulatory changes; statements in respect of future capital and other expenditures (including the availability, amount, nature and sources of funding thereof); statements in respect of business prospects and opportunities; statements in respect of future growth and performance opportunities; statements regarding product development; statements in respect of the results of the Company’s operations and levels of activity; statements regarding the Company’s ability to raise additional capital; and statements concerning factors which management believes may be relevant in assessing whether the Company’s plans are achievable.

Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are outside of the Company's control and are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being entirely or partially incorrect or untrue.

Certain forward-looking statements contained in this AIF about prospective results of operations, financial position or cash flows may constitute "future oriented financial information", is based on assumptions about future events, is given as at the date hereof and including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Management of the Company has approved the financial outlook as of April 22, 2024. Readers are cautioned that such financial outlook information contained in this AIF should not be used for purposes other than for which it is disclosed herein.

Forward-looking statements contained in this AIF are based on various assumptions, including, but not limited to the following: (i) the Company's ability to achieve a healthy growth strategy; (ii) the demand for the Company's products and services and fluctuations in future revenues; (iii) the Company's business model and assumptions; (iv) expectations of growth in the industry in which the Company operates and the markets in which the Company's products and services are sold; (v) the stability of general economic and market conditions; (vi) currency exchange rates and interest rates; (vii) equity and debt markets continuing to provide the Company with access to capital; (viii) that the risk factors noted above, collectively, do not have a material impact on the Company's business, operations, revenues and/or results. By their nature, forward-looking statements are subject to known and unknown risks and uncertainties, many of which are beyond the Company's control, that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law. All the forward-looking statements contained in this AIF are qualified by these cautionary statements.

MARKET AND INDUSTRY DATA

This AIF includes market and industry data that has been obtained from third party sources, including industry publications, as well as industry data prepared by management on the basis of its knowledge of and experience in the industry in which the Company operates (including management's estimates and assumptions relating to such industry based on that knowledge). Management's knowledge of such industry has been developed through its experience and participation in such industry. Although management believes such information to be reliable, neither the Company, nor management, has independently verified any of the data from third party sources referred to in this AIF or ascertained the underlying economic assumptions relied upon by such sources. Furthermore, references in this AIF to any publications, reports, surveys, or articles prepared by third parties should not be construed as depicting the complete findings of the entire publication, report, survey, or article. The information in any such publication, report, survey, or article is not incorporated by reference in this AIF.

CORPORATE STRUCTURE

NAME, ADDRESS AND COMPANY

Overview of the Company

EverGen Infrastructure Corp. was incorporated under the BCBCA on May 13, 2020. EverGen is a reporting issuer in each of the provinces of Canada, and its business is focused entirely on contributing to the circular economy in recycling waste and establishing a RNG infrastructure platform with the strategy of acquiring, developing, building, owning, operating and consolidating a portfolio of RNG, waste to energy, and related sustainable infrastructure projects in British Columbia.

The Articles were amended on May 19, 2020, to change the Company's name from 1250139 B.C. Ltd. to EverGen Infrastructure Corp. The Company's head office is located at Suite 390, 1050 Homer Street, Vancouver, British Columbia, Canada, V6B 2W9 and its registered office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

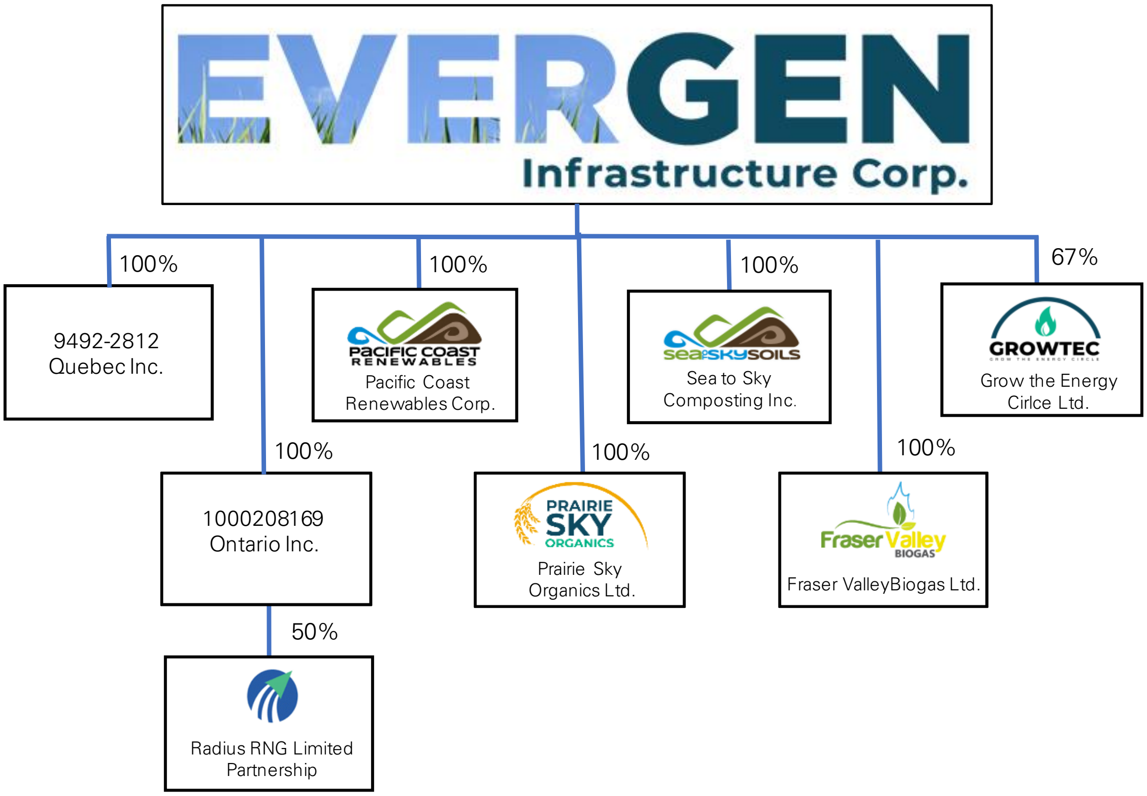
The Common Shares are listed and posted for trading on the TSXV under the trading symbol "EVGN" and on the OTCQX under the trading symbol "EVGIF".

INTERCORPORATE RELATIONSHIPS

Pursuant to the Acquisitions, the Company has four subsidiaries: PCR, SSS, FVB and GrowTEC. Of these Acquired Businesses, PCR, SSS and FVB were incorporated under the BCBCA, and GrowTEC was incorporated under the ABCA. PCR's head office is located at 5050 Gladwin Road, Abbotsford, British Columbia, Canada, V4X 1X8, SSS's head office is located at South Rutherford Creek Road, Whistler, British Columbia, Canada, V0N 1B8, FVB's head office is located at 2016 Interprovincial Hwy, Abbotsford, British Columbia, Canada, V3G 2H8, and GrowTEC's head office is located at 185062 Hwy 3 (Box 43), Cranford, Alberta, Canada, T0K 0R0.

The Company has three additional subsidiaries, 1000208169 Ontario Inc ("ONCO"), Prairie Sky Organics Limited ("**PSO**"),and 9492-2812 Quebec Inc ("**QCCO**"). ONCO's, PSO's, and QCCO's head offices are located at Suite 390, 1050 Homer Street, Vancouver, British Columbia, Canada, V6B 2W9. For greater certainty, the Company owns 100% of the voting securities of each of its subsidiaries and 100% of the voting securities of each Acquired Business, except for GrowTEC, of which the Company owns 67% of the voting securities.

The current organizational structure of the Company, the Acquired Businesses and its additional subsidiaries are set forth below:



GENERAL DEVELOPMENT OF THE BUSINESS

THREE YEAR HISTORY

Fiscal 2021

On December 30, 2020, and on a rolling basis throughout January and February 2021, EverGen closed multiple tranches of its non-brokered private placement, for gross proceeds of $8,359,880 (the "**December Non-Brokered Private Placement**") through the issuance of 1,671,976 Common Shares at a price of $5.00 per Common Share. In connection with the December Non-Brokered Private Placement, the Company paid certain finders, in the aggregate, a cash commission equal to $105,000, 41,976 Common Shares and 62,976 finder compensation options (of which 21,000 of such finder compensation options were issued to the agents who participated in the Subscription Receipt Financing) (the "**December Finder Compensation Options**"). Each December Finder Compensation Option was exercisable to acquire one Common Share at an exercise price of $5.00 until December 30, 2022, at which point the December Finder Compensation Options expired.

On March 17, 2021, the Company entered into a credit facility arrangement with Roynat Inc. ("**Roynat**") (providing for a senior secured term loan with available funds of up to $7,000,000 repayable over 3 years with interest at the Roynat floating base rate plus 3.00% per annum) (the "**First Credit Facility**"). The First Credit Facility was secured by *inter alia* general security agreements entered into by each of the Company, PCR and SSS granting a charge over all personal property assets of the Company, PCR and SSS, a mortgage of lease from PCR over the leasehold property at the PCR Project and a mortgage of license from SSS over certain portions of the lands at the SSS Project. The First Credit Facility contained several affirmative and negative covenants, including those related to maintaining certain levels of working capital, fixed charge coverage and total funded debt to EBITDA ratios. In addition to the repayment obligations, the facility also contained a provision that required the Company to make an annual cash sweep payment equal to 50% of "Free Cash Flow" (as defined in the First Credit Facility) to a maximum of $368,000 per annum. For more information, see the full text of the First Credit Facility on the Company's SEDAR+ profile at www.sedarplus.ca.

On March 18, 2021, EverGen completed a private placement of 1,059,325 Special Warrants at a price of $8.00 per Special Warrant for aggregate gross proceeds of $8,474,600 (the "**Special Warrant Financing**"). As part of the Special Warrant Financing, the Company completed a brokered private placement of 756,200 Special Warrants for gross proceeds of $6,049,600 (the "**Brokered Private Placement**") to purchasers resident in certain provinces in Canada (and in jurisdictions outside of Canada) on a private placement basis pursuant to prospectus exemptions under applicable securities legislation and in accordance with the terms of an agency agreement dated March 18, 2021 (the "**Agency Agreement**") among the Company and the Special Warrant Agents. EverGen also concurrently completed a non-brokered private placement of 303,125 Special Warrants for gross proceeds of $2,425,000 (the "**Non-Brokered Private Placement**") to purchasers' resident in certain provinces in Canada (and in jurisdictions outside of Canada) on a private placement basis pursuant to prospectus exemptions under applicable securities legislation. The Special Warrants were issued pursuant to the terms of a special warrant indenture (the "**Special Warrant Indenture**") dated March 18, 2021, between the Company and TSX Trust Company, as special warrant agent thereunder. Each Special Warrant entitled its holder to receive, upon exercise or deemed exercise, one Special Warrant Unit at no additional cost. In accordance with the terms of the Special Warrant Indenture, the Special Warrants were automatically exercised on July 20, 2021, being the first business day following the Exercise Deadline, for Special Warrant Units. Each Special Warrant Unit was comprised of one Common Share (a "**Special Warrant Unit Share**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Special Warrant Unit Warrant**"). Each Special Warrant Unit Warrant entitles the holder thereof to acquire one Common Share (a "**Special Warrant Share**") at a price of $10.50 until July 20, 2023. The Company did not receive any additional proceeds upon the exercise of the Special Warrants.

In connection with the Brokered Private Placement, the Company paid to Desjardins and Clarus as the Special Warrant Agents a cash fee of $362,976 (equal to 6% of the gross proceeds from Special Warrants sold pursuant to the Brokered Private Placement), and issued to the Special Warrant Agents, 22,686 non-transferable broker options of the Company (the "**Broker Options**"). Each Broker Option was automatically exchanged for one transferable broker warrant of the Company (the "**Broker Warrants**") on July 20, 2021, with each Broker Warrant being exercisable for one unit of the Company (a "**Broker Unit**") at a price of $8.00 until July 20, 2022, at which point the Broker Warrants expired. Each Broker Unit was comprised of one Common Share and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, "**Broker Unit Warrant**"). Each Broker Unit Warrant entitled the holder thereof to acquire one Common Share at a price of $10.50 until July 20, 2023. Additionally, in connection with the Non-Brokered Private Placement, the Company worked with a finder (the "**Finder**") and paid such Finder a fee equal to 6% of the gross proceeds from Special Warrants sold to subscribers of the Non-Brokered Private Placement that were introduced by the Finder, which was settled by issuing 13,500 Common Shares at a price of $8.00 per Common Share, and 6,750 non-transferable finder warrants (the "**March Finder Compensation Options**", and together with the December Finder Compensation Options, the "**Finder Compensation Options**") to the Finder. Each March Finder Compensation Option was exercisable for one Common Share at a price of $8.00 until July 20, 2022, at which point such March Finder Compensation Options expired. No fees were paid to the Special Warrant Agents or the Finder in connection with 78,125 Special Warrants ($625,000 in gross proceeds) sold under the Non-Brokered Private Placement.

On March 18, 2021, EverGen paid to an escrow agent in trust the balance owing for the remainder of the purchase price for each of the Acquisitions, in accordance with the escrow agreement as attached to the PCR Purchase Agreement and SSS Purchase Agreement.

As further described below, on April 16, 2021, the Company completed its acquisition of FVB. The purchase price was funded in part from the Special Warrant Financing ($7,896,083) and in part from the First Credit Facility ($2,706,527).

On April 27, 2021, the Company closed a non-brokered private placement for gross proceeds of $1,000,000 through the issuance of 111,111 Common Shares at a price of $9.00 per Common Share to a purchaser resident in Canada on a private placement basis pursuant to prospectus exemptions under applicable securities legislation.

On August 4, 2021, the Company announced that it had successfully completed its initial public offering (the "**Offering**") of 3,080,000 units (the "**Offered Units**") of the Company at a price of $6.50 per Offered Unit (the "**Offering Price**"), for aggregate gross proceeds of $20,020,000. The Company's common shares were listed on the TSXV under the symbol "EVGN" and commenced trading on August 4, 2021. Each Offered Unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole common share purchase warrant (a "**Warrant**") entitles the holder thereof to purchase one common share of the Company at an exercise price of $10.50 until August 4, 2023. The Warrants are governed by a warrant indenture (the "**Warrant Indenture**") entered into on the Closing Date between the Company and TSX Trust Company, as warrant agent. The Offering was conducted by a syndicate of underwriters. The Company also granted the underwriters an over-allotment option (the "**Over-Allotment Option**") to purchase up to an additional 462,000 Offered Units at the Offering Price, which were exercisable, in whole or in part, at any time up to 30 days post-closing of the Offering.

The underwriters of the Offering partially exercised the Over-Allotment Option which resulted in the issuance of an additional 231,000 common share purchase warrants for additional gross proceeds to the Company of $83,160. The partial exercise of the Over-Allotment Option increased the total aggregate gross proceeds of the Offering to $20,103,160.

On December 1, 2021, the Company announced the appointment of Natasha Monk as Interim Chief Financial Officer.

Fiscal 2022

On February 15, 2022, the Company announced its Common Shares had commenced trading on OTCQB under the symbol "EVGIF". The OTCQB, operated by OTC Markets Group Inc., is recognized by the United States Securities and Exchange Commission as an established market providing companies the opportunity to build visibility, expand liquidity and diversify their shareholder base on an established public market.

On March 7, 2022, the Company announced that it had entered into a letter of intent (the "**LOI**") with GrowTEC in its capacity as general partner of CKPPQ Farms LP, dated March 4, 2022, to acquire a 67% interest in a biogas facility in Alberta and to work with GrowTEC on developing and expanding the renewable gas output at such facility. Under the terms of the LOI, the Company would acquire a 67% interest in the project either directly or through ownership in a newly formed special purpose vehicle corporation that would hold the assets of the Project for $6.6 million, consisting of an initial cash consideration of $3.3 million and the issuance of 600,000 Common Shares of the Company with a deemed value of $5.50 per share.

On April 21, 2022, the Company announced the appointment of Mischa Zajtmann as Interim Chief Operating Officer.

On June 3, 2022, the Company obtained final approval from the TSXV to repurchase Common Shares under a Normal Course Issue Bid ("**NCIB**"), which commenced on May 23, 2022, and ended on May 23, 2023. Under the NCIB, the Company could acquire up to an aggregate of 668,370 Common Shares over the 12-month period, representing approximately 5% of the 13,367,392 issued and outstanding Common Shares as of May 15, 2022.

Purchases subject to this NCIB were carried out pursuant to open market transactions through the facilities of the TSXV by Clarus, a Member as defined by the TSXV and its policies, on behalf of EverGen at the prevailing market price of the Common Shares at the time of purchase. All Common Shares purchased by EverGen under the NCIB were returned to treasury and cancelled.

On May 24, 2022, the Company announced that it had entered into definitive agreements (the "**Radius Agreements**") with Northeast Renewables LP ("**Northeast**"), dated May 20, 2022, whereunder the Company acquired a 50% interest in a portfolio of RNG development projects ("**Project Radius**") in Ontario. Under the terms of the Radius Agreements, the Company acquired a 50% interest in Project Radius for cash consideration of up to $1.5 million, which represented 50% of the initial development funding tranche of $3.0 million.

On July 14, 2022, the Company announced it had completed the acquisition of GrowTEC. EverGen acquired its 67% interest in GrowTEC for (i) cash consideration of $2.1 million subject to working capital adjustments, (ii) the issuance of 600,000 common shares of EverGen, and (iii) cash consideration of up to $4.0 million, which is payable by the Company upon the achievement of operational milestones at the GrowTEC Project.

On August 10, 2022, the Company announced that it had entered into a term sheet with its existing lender, Roynat, and Export Development Canada ("**EDC**") for a $31 million syndicated senior term loan (the "**Second Credit Facility**") to support the upgrade and construction of its RNG facilities at FVB and PRC, respectively. The Second Credit Facility is a five-year senior loan with a 10-year amortization period and interest only payments for the first 12 months. Under the term sheet, the Second Credit Facility is secured by assets of the Company and is subject to the completion of financing terms and conditions as included in the Offer of Finance filed on the Company's SEDAR+ profile at www.sedarplus.ca.

On September 15, 2022, the Company's common shares commenced trading on the OTCQX Best Market ("**OTCQX**") in the United States under the symbol "EVGIF". EverGen upgraded to the OTCQX Best Market from the OTCQB Venture Market.

On October 6, 2022, the Company announced the appointment of Sean Hennessy as Chief Financial Officer.

On October 19, 2022, the Company provided a construction update, announcing that construction had commenced at the Company's core RNG expansion project at FVB. Upon completion, the new FVB core RNG expansion project doubles capacity at the FVB facility to produce 160,000 GJ of RNG per year.

Fiscal 2023

On January 9, 2023, the Company announced that it had entered into a $31 million credit facility arrangement with its existing lender, Roynat, and EDC. The syndicated senior term loan is repayable over 5 years with a 10-year amortization period and interest only payments for the first 12 months (previously defined as the "**Second Credit Facility**"). Roynat and EDC each provide 50% of the proceeds for the Second Credit Facility. The Second Credit Facility is secured by *inter alia* general security agreements entered into by each of the Company, PCR, SSS and FVB granting a charge over all personal property assets of the Company, PCR, SSS and FVB, a mortgage of lease from PCR over the leasehold property at the PCR Project and a mortgage of license from SSS over certain portions of the lands at the SSS Project. The Second Credit Facility contains several affirmative and negative covenants, including those related to maintaining certain levels of working capital, fixed charge coverage and debt to capitalization ratios. In addition to the repayment obligations, the facility also contains a provision that requires the Company to make an annual cash sweep payment equal to 50% of "Free Cash Flow" (as defined in the Second Credit Facility) to a maximum of $1,328,000 per annum. The Second Credit Facility bears interest at a rate of the Canadian Variable Rate + 3.0 to 4.0% based on achieving certain EBITDA targets. For more information, see the full text of the Second Credit Facility on the Company's SEDAR+ profile at www.sedarplus.ca.

On February 21, 2023, the Company announced that SSS had signed multiple contracts with a BC Regional District for the processing of organic waste at its facility in Pemberton, British Columbia, which is operated in partnership with Lil'wat First Nation. These contract updates provide Sea to Sky Soils with increased certainty on the supply of organic feedstock through 2025 with a preferred partner.

On March 16, 2023, Net Zero Waste Abbotsford Inc. changed its name to Pacific Coast Renewables Corp.

On June 28, 2023, the Company announced that it had been awarded funding of $10.5 million from Natural Resources Canada's ("**NRCan**") Clean Fuels Fund to support the development of EverGen's RNG expansion at the PCR facility, subject to the execution of a contribution agreement.

On June 29, 2023, the Company announced the drawdown of $15 million under the first tranche of the $31 million Second Credit Facility to fund the core RNG expansion project at the FVB facility.

On July 18, 2023, the Company announced that the first injection of RNG had occurred at its GrowTEC facility in late-June following utility grid connection.

On September 22, 2023, the Company announced the appointment of Ford Nicholson as Interim Executive Chair and Mischa Zajtmann as Interim Chief Executive Officer.

On September 28, 2023, the Company announced it had entered into a 10-year agreement with the City of Regina to process all organic waste collected pursuant to its Food and Yard Waste program. The Company also announced a $7 million senior term loan facility with BDC that will be used to support construction of the PSO processing facility (the "**PSO Facility**"). The PSO Facility is secured by the assets of PSO and carries all-in-cost of capital of 7.6%.

On October 30, 2023, the Company announced mechanical completion of the FVB RNG expansion project.

On November 7, 2023, the Company announced it had entered into a 10-year offtake agreement with Irving Oil Limited for the supply of RNG produced at the GrowTEC facility. The agreement provides for the purchase of up to 60,000 GJs of RNG annually, and with the existing FortisBC offtake agreement, the Company announced that GrowTEC's expected RNG production volumes were now fully contracted for both phases of the GrowTEC expansion project.

On November 28, 2023, the Company announced it had been awarded a new 5-year agreement with the City of Abbotsford to process all of the City of Abbotsford's organic waste pursuant to its curbside collection project, which is expected to be 16,000 t annually, at the PCR facility.

On December 21, 2023, the Company announced the successful completion of the FVB expansion project and the delivery of the first gas injection at the FVB facility.

January 1, 2024 to Present

On March 5, 2024, the Company announced the achievement of new single-day and monthly production records for the month of February 2024 following the newly completed expansion of the FVB facility.

SIGNIFICANT ACQUISITIONS

<u>Pacific Coast Renewables Corp. (formerly Net Zero Waste Abbotsford Inc.)</u>

Effective December 31, 2020, EverGen acquired all of the issued and outstanding shares in the capital of Pacific Coast Renewables Corp. (formerly Net Zero Waste Abbotsford Inc., and previously defined as "**PCR**"), pursuant to a share purchase agreement dated December 18, 2020 and amended February 5, 2021, to amend the holdback provisions (the "**PCR Purchase Agreement**"), among EverGen, Net Zero Waste Inc. ("**NZI**"), 806148 Alberta Ltd., Rafael Ocejo, and Andres Ocejo (the "**PCR Acquisition**"). Pursuant to the terms of the PCR Purchase Agreement, the Company paid an aggregate amount of $14,350,000, consisting of (i) a $300,000 deposit, (ii) a cash payment of $12,050,002, of which $940,457 was paid to discharge in full the Closing Date Debt (as defined in the PCR Purchase Agreement), and (iii) the issuance of 444,444 Common Shares (with the aggregate value of $1,999,998). Additionally, pursuant to section 2.3(b) of the PCR Purchase Agreement, EverGen paid to the escrow agent in trust: (i) 50% of the holdback ($1,075,000) on February 24, 2021; and (ii) the remaining 50% of the holdback ($1,075,000) on March 18, 2021, to be held in accordance with the escrow agreement as attached to the PCR Purchase Agreement.

In connection with the PCR Acquisition and the SSS Acquisition, the Company paid Dekany Consulting Inc., a company controlled by Mr. Mezei, a success fee in cash equal to $250,000 (the "**Finder Fee**") pursuant to a finders' fee agreement between the Company and Dekany Consulting Inc.

PCR owns and operates a food, green and agricultural waste commercial composting facility in the City of Abbotsford, British Columbia (the "**PCR Project**").

For more information, see the full text of the PCR Purchase Agreement on the Company's SEDAR+ profile at www.sedarplus.ca.

Sea to Sky Soils and Composting Inc.

Effective December 31, 2020, EverGen also acquired all of the issued and outstanding shares in the capital of Sea to Sky Soils and Composting Inc. (previously defined as "**SSS**"), pursuant to a share purchase agreement dated December 18, 2020 and amended February 5, 2021 to amend the holdback provision (the "**SSS Purchase Agreement**"), among EverGen, NZI, Jaye-Jay Earl Berggren and Enviro GP Limited (in its capacity as general partner of Enviro Limited Partnership) (the "**SSS Acquisition**"). Pursuant to the terms of the SSS Purchase Agreement, the Company paid an aggregate amount of $13,648,137, consisting of (i) a cash payment of $12,148,138, of which $549,713 was paid to discharge in full the Closing Date Debt (as defined in the SSS Purchase Agreement) and release all security in connection therewith, and (ii) the issuance of 333,333 Common Shares (with the aggregate value of $1,499,999). Additionally, pursuant to section (c)(b) of the SSS Purchase Agreement, EverGen paid to the escrow agent in trust: (i) 50% of the holdback ($1,869,341) on February 24, 2021(i)d (ii) the remaining 50% of the holdback ($1,869,341) on March 18, 2021, to be held in accordance with the escrow agreement as attached to the SSS Purchase Agreement.

As noted above, in connection with the PCR Acquisition and the SSS Acquisition, the Company paid Dekany Consulting Inc., a company controlled by Mr. Mezei, the Finder Fee.

SSS owns and operates an organic waste commercial composting facility hosted by and leased from the Lil'wat Nation in the Village of Pemberton, British Columbia, and employs individuals from the Lil'wat Nation (the "**SSS Project**").

For more information, see the full text of the SSS Purchase Agreement on the Company's SEDAR+ profile at www.sedarplus.ca.

Fraser Valley Biogas Ltd.

Effective April 16, 2021, EverGen acquired from the Vendors (as defined below) all of the issued and outstanding shares in the capital of Fraser Valley Biogas Ltd. (previously defined as "**FVB**") and from Heppell's Potato Corp. ("**Heppell**") all legal and beneficial interest in the real property having a municipal address of 2016

Interprovincial Highway, Abbotsford, B.C. V3G 2H8 and legally described as Parcel Identifier: 010-837-906, Lot 79, Section 13, Township 19, New Westminster District Plan 4211 (the "**Land**"), pursuant to a share purchase agreement dated April 16, 2021 (the "**FVB Purchase Agreement**") among EverGen, Heppell and Pela Holdings Ltd. ("**Pela**", together with Heppell, the "**Vendors**") (the "**FVB Acquisition**"). Pursuant to the terms of the FVB Purchase Agreement, EverGen paid an aggregate amount of $11,500,000 to the Vendors, consisting of the issuance of 125,000 Common Shares (with the aggregate value of $1,000,000) and a cash payment of $10,500,000 paid at closing to the Vendors (as applicable), together representing: (i) the amount equal to $3,760,543, being the portion of the Share Purchase Price (as defined in the FVB Purchase Agreement) paid by EverGen to Pela; (ii) the aggregate amount of $6,739,457, of which $3,089,457 was in respect of the portion of the Share Purchase Price paid by EverGen to Heppell and of which $3,650,000 was paid to satisfy the Land Purchase Price (as defined in the FVB Purchase Agreement), in connection with the acquisition of the Land from Heppell. In addition, an amount of $785,000, representing the holdback amount was paid to Clark Wilson LLP as the escrow agent in accordance with the terms of the escrow agreement dated April 16, 2021, among the parties. None of the foregoing reflects the post-closing adjustments pursuant to the terms of the FVB Purchase Agreement.

FVB owns and operates a biogas facility in the City of Abbotsford, British Columbia (the "**FVB Project**").

For more information, see the full text of each of the FVB Purchase Agreement on the Company's SEDAR+ profile at www.sedarplus.ca.

Grow the Energy Circle Ltd.

Effective July 13, 2022, EverGen acquired from the Vendors (as defined below) 67% of the issued and outstanding shares in the capital of Grow the Energy Circle Ltd. (previously defined as "**GrowTEC**"),, pursuant to a share purchase agreement dated July 13, 2022 (the "**GrowTEC Share Purchase Agreement**"), among EverGen, 2418207 Alberta Ltd. and 2418367 Alberta Ltd. (together with 2418207 Alberta Ltd, the "**Vendors**"), EverGen (the "**Purchaser**"), CKP Farms Ltd., and Perry Quest Ltd. (together with CKP Farms Ltd., the "**Guarantors**"). Pursuant to the terms of the GrowTEC Share Purchase Agreement, the Company acquired a 67% interest in GrowTEC for (i) cash consideration of $2.1 million subject to working capital adjustments, and (ii) the issuance of 600,000 common shares of the EverGen (with the aggregate value of $1,560,000). Further, pursuant to section 2.6 of the GrowTEC Share Purchase Agreement, cash consideration of up to $4.0 million is payable by the Company upon the occurrence of each of the Phase 1 Commissioning Date and the Phase 2 Commission Date (each as defined in the GrowTEC Share Purchase Agreement).

GrowTEC is a farm scale biogas facility in the City of Lethbridge, Alberta (the "**GrowTEC Project**").

Radius Ltd.

Effective May 24, 2022, EverGen acquired a 50% interest in a portfolio of RNG development projects ("**Project Radius**") from Northeast Renewables LP ("**Northeast**"), pursuant to an investment agreement, a limited partnership agreement and a unanimous shareholders agreement (collectively, the "**Definitive Radius Agreements**"). Under the terms of the Definitive Radius Agreements, EverGen acquired a 50% interest in Project Radius for a total cash contribution of $1.5 million, which represents 50% of the initial development funding tranche of $3.0 million. Under the Definitive Radius Agreements, EverGen will work with Northeast on developing Project Radius to achieve notice-to-proceed ("**NTP**"), at which time EverGen will have the right to participate in funding its proportionate share of the capital to construct large scale anaerobic digesters that convert biodegradable waste into biogas, which is then upgraded to RNG for use in the gas grid. Additionally, EverGen has a right of first offer to transition as exclusive operator of Project Radius at NTP. As of the date of this Annual Information Form, EverGen has made total cash contributions of $1.25 million.

Project Radius is a late-development-stage portfolio of three on-farm RNG projects in Southern Ontario.

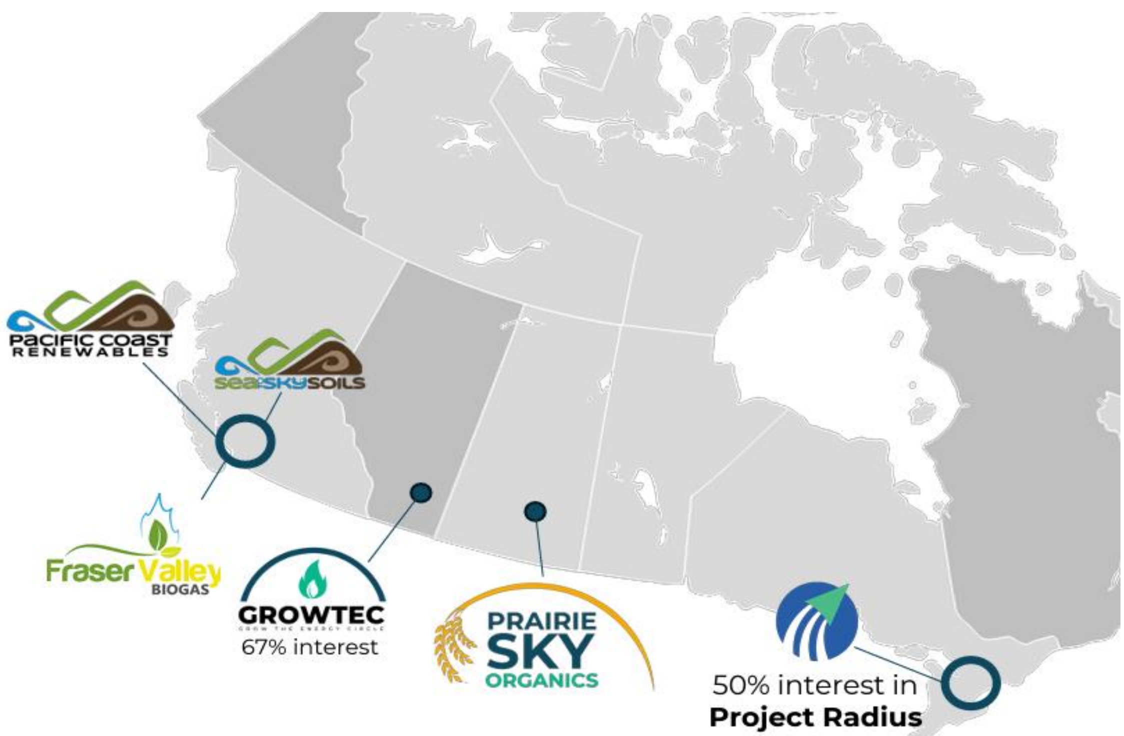
No Form 51-102F4, Business Acquisition Report, was required to have been or has been filed in respect of any of the Significant Acquisitions.

DESCRIPTION OF EVERGEN'S BUSINESS

OVERVIEW

General

EverGen is a sustainable infrastructure platform established to acquire, develop, build, own, operate and consolidate a portfolio of RNG, waste to energy, and related infrastructure projects in Canada and other regions of North America. The Company's principal business activities since incorporation have been the acquisition and operation of the Acquisitions. The Company has two operating segments, the Organic Waste and Composting segment, which includes PCR, SSS and PSO, and the RNG production segment which includes FVB, GrowTEC and Project Radius. PCR owns and operates a food and green waste commercial composting facility in the City of Abbotsford, British Columbia. SSS owns and operates an organic waste commercial composting facility hosted by and on land leased from the Lil'wat Nation in the Village of Pemberton, British Columbia, and employs individuals from the Lil'wat Nation. PSO owns and operates an organic waste processing facility in Regina, Saskatchewan. FVB owns and operates a RNG production facility in the City of Abbotsford. Additionally, EverGen owns a 67% interest in a RNG productions facility in the City of Lethbridge, Alberta through GrowTEC, and a 50% interest in a late-development-stage portfolio of three high-quality, on-farm RNG projects in Southern Ontario through Project Radius.



The Company's revenue sources of tipping fees and sales of organic compost, soil products and RNG from these projects are expected to provide stable cash flows while the Company pursues its larger transition to RNG.

Organic Waste and Composting Activities

The PCR Project

The PCR Project is an operating compost facility with a development stage RNG project located on leased lands in Abbotsford, British Columbia. It generates stable cash flow from compost operations derived largely from municipal tipping fee-based long-term contracts. The PCR Project is currently permitted to process up to 40,000 tonnes of organic waste per annum which, in addition to generating near term revenue, is expected to comprise a material portion of the feedstock for future RNG operations. The Company intends to increase the permitted tonnage of the facility in connection with the development of RNG operations. The Company is advancing RNG development at the PCR Project. The PCR Project will involve the construction and operation of an AD facility to be located at the site of existing operations and is designed to produce ~180,000 GJ of RNG per year. On August 27, 2020, PCR entered into a letter of intent with FortisBC in connection with a proposed offtake agreement, and on April 23, 2021, PCR entered into a conditional long-term offtake agreement with FortisBC (the "**PCR Offtake Agreement**") pursuant to which FortisBC agreed to purchase a minimum of 130,000 GJ and up to 173,000 GJ of RNG per year from PCR, at agreed upon specifications and a competitive base rate. On October 5, 2021, the British Columbia Utilities Commission approved the PCR Offtake Agreement, marking the final regulatory step with respect to the PCR Offtake Agreement. The initial term of the offtake agreement is for 20 years, commencing within a month of the first RNG delivered to FortisBC, and automatically renews for one additional five (5) year term unless an earlier notice of intention to terminate is provided by either party. PCR expects to capitalize on the incoming organic waste streams, proximal commercial feedstock, and nearby tie-in to pipeline infrastructure. The PCR RNG project was the recipient of a grant of $10.5 million, which provides for funding of up to 30% of eligible expenditures under the RNG project.

*Formerly Net Zero Waste Abbotsford

Pacific Coast Renewables ("PCR")*
Abbotsford, BC

CAPACITY: ~40,000 tonnes/year
Historical avg tipping fee of $80/tonne

SUMMARY:
- Long term contracts with 3 key municipalities: Abbotsford, Coquitlam, Chilliwack
- 20-year Fortis BC offtake for RNG Expansion Project
- Awarded $10.5M by the Government of Canada's Clean Fuels Fund

The PCR Project is located on leased lands pursuant to a lease agreement dated April 2, 2012, as assigned and amended by amending agreements dated November 8, 2012, and April 1, 2021. PCR exclusively leases the lands underlying the PCR Project for an initial term of ten (10) years that expired on December 31, 2022, and was renewed for an additional five (5) years at market rates effective January 1, 2023. Provided that it is not in default of the lease agreement, PCR has the option to renew the lease agreement for two (2) further terms of five (5) years each upon the same terms and conditions as the original lease agreement, other than the base rent, provided that it exercises such option not later than 180 days prior to the expiration of the initial term.

The SSS Project

Sea to Sky Soils (“SSS”)
Pemberton, BC

CAPACITY: ~40,000 tonnes/year

SUMMARY:

- Strategic importance for feedstock intake to ensure BC facilities collectively always have capacity to accept waste
- Partnership with Lil’wat First Nation
- Majority First Nation workforce

The SSS Project is an operating compost facility located in Pemberton, British Columbia, on a site hosted by and leased from the Lil’wat Nation and employs individuals from the Lil’wat Nation. The SSS Project has been conditionally approved for inclusion into the Squamish-Lillooet Regional District Solid Waste Management Plan. It previously generated cash flow primarily sourced from source separated organics from the Greater Vancouver Sewage and Drainage District (the “**Metro Vancouver**”) under an organic waste processing services contract that expired on June 30, 2021 (the “**Metro Vancouver Contract**”). During the year ended December 31, 2020, this contract accounted for 70 percent of SSS’s revenue. On April 16, 2021, EverGen was notified that the Metro Vancouver Contract (which had been the subject of a bid for proposal) had been awarded to another bidder. EverGen has identified additional sources of organic waste tonnage through a combination of long-term municipal contracts and shorter-term merchant agreements, including recent agreements with a BC regional district, (the “**Additional Agreements**”) and continues to work to replace any lost revenue from the Metro Vancouver Contract. The SSS Project currently processes approximately 25,000 tonnes per annum of organic waste inputs and is able to produce up to 25,000 yards per annum of dry “Class A compost” (as defined in the Organic Matter Recycling Regulation (the “**OMRR**”)) without requiring a permit under the OMRR. SSS has applied for such a permit under the OMRR in order to expand its design capacity to process up to 60,000 tonnes per annum of organic waste inputs and to increase its production of dry compost up to an expected 40,000 yards per annum. In addition to generating near and long-term revenue, this expansion in design capacity is expected to serve as a source of feedstock for existing and future RNG operations. The SSS Project was a recipient of a grant of $765,000 of which $687,000 was received by SSS under the Organic Infrastructure Program, a program funded by the Government of Canada and the Province of British Columbia, related to the expansion of the organic waste facility.

The SSS Project is located on leased lands pursuant to a license agreement dated May 1, 2019. SSS exclusively licences the lands underlying the SSS Project from Lil’wat Capital Assets Limited Partnership for an initial term that expired on April 11, 2022. SSS exercised an option to renew the licence agreement for one (1) additional term of five (5) years and has additional options for two (2) further terms of five (5) years, each upon the same terms and conditions as the original licence agreement, other than the base rent, provided that it exercises such option not earlier than 270 days and not later than 180 days prior to the expiration of the initial term.

The PSO Project

Prairie Sky Organics (“PSO”)
Regina, SK

CAPACITY: ~24,000 tonnes/year

SUMMARY:

- 10-yr Agreement secured with City of Regina
- $7M debt facility secured
- Operating at temporary site at landfill as permanent sites are being evaluated

The PSO Project is an operating compost facility located in Regina, Saskatchewan currently accepting waste at a temporary site at the City of Regina Landfill and expected to relocate permanently to a site on or adjacent to the Landfill. The PSO Project was awarded the 10-year agreement at the end of 2022 with the City of Regina to process all of the organic waste collected pursuant to its Food and Yard Waste program, expected to be up to 24,000 tonnes of waste per annum, with first waste accepted at the end of 2023.

RNG Production Operations

The FVB Project

Fraser Valley Biogas ("FVB") Phase 2
Abbotsford, BC

CAPACITY: RNG: ~160,000 GJ/year
EBITDA: ~$5M
SUMMARY:

- Processes ~50-100,000 tonnes of agriculture and ICI waste
- Phase 2 Commissioning & First Gas Delivered in December 2023
- Expansion fully funded and on budget (~$13M)

The FVB Project is an operating RNG facility located in Abbotsford, British Columbia. The FVB Project has been in operation since 2011 as the first RNG project in Western Canada. It is an AD facility which utilizes local agriculture and commercial food processing waste (currently 50,000 tonnes per annum with expectations to increase to 100,000 tonnes per annum) to generate RNG that is sold to FortisBC through an offtake agreement (the "**FVB Offtake Agreement**"). The initial term of the offtake agreement expired on October 31, 2022, and the facility is currently operating under an interim agreement with FortisBC while finalizing the terms of a new offtake agreement. Following the completion of an expansion project, the facility currently is capable of producing over 160,000 GJ of RNG annually (440 GJ/day) – enough to heat on average approximately more than 2,000 homes per year.

The GrowTEC Project

The GrowTEC Project, located on the Perry Family farm near Lethbridge, Alberta, is an operating biogas facility which focuses on sustainable agriculture through the conversion of organic waste to soil amendments and clean energy. The Project has a long-term 10-year offtake agreement with Irving Oil and a 20-year offtake agreement with FortisBC ("**GrowTEC Offtake Agreements**").

Since acquiring a 67% interest and assuming operatorship of the Project earlier this year, EverGen has completed the first phase of the Project designed to upgrade existing biogas and power production to RNG. The GrowTEC Project finalized construction of the injection infrastructure for tie-in into the local pipeline network in March 2023 and commenced production in July 2023. Phase 1, is expected to produce approximately 70,000 GJ of RNG annually, which is underpinned by the GrowTEC Offtake Agreement. The Phase 2 expansion is expected to add an additional 70,000 GJ of RNG annually for a total of approximately 140,000 GJ of RNG production annually from the GrowTEC Project.

GrowTEC ("GRTC") Phase 1 (67% owned)
Lethbridge, AB

CAPACITY: RNG: ~70,000 GJ/year

SUMMARY:

- Processes 20,000 tonnes of agriculture and ICI waste
- RNG Expansion completed and First Gas achieved in July 2023
- Offtake is fully contracted for Phase 1 volumes between FortisBC (20-year) & Irving Oil (10-year)
- Revenue mix: 1) RNG 2) tip fees 3) Electricity

Project Radius

Project Radius, located in southern Ontario, is a late-development-stage portfolio of three high-quality, large-scale agricultural waste RNG projects, collectively capable of producing approximately 1.8 million GJ of RNG annually that will contribute to the reduction of emissions from agricultural operations in southern Ontario. Each of the three projects is expected to produce ~600,000 GJ/year, with the first project expected to be constructed between 2024-2025.

EverGen is working with Northeast on developing Project Radius to achieve NTP in 2024, at which time EverGen will have the right to participate in funding its proportionate share of the capital to construct large scale anaerobic digesters that convert biodegradable waste into biogas. Additionally, EverGen has a right of first offer to transition as exclusive operator of Project Radius at NTP. Project Radius is in late-stage negotiations for feedstock supply with multiple aggregators, financing and offtake agreements.

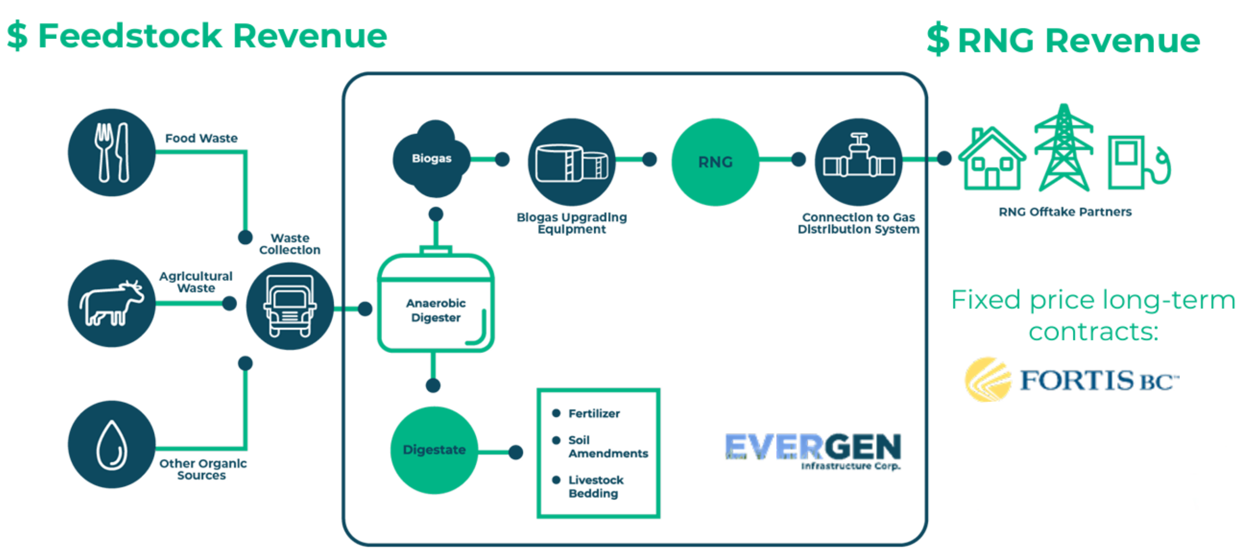
Revenues by Category of Product or Services

Revenue by source:

	Year ended Dec 31, 2023	Dec 31, 2022	% Change
Tipping fees	5,777	5,389	7
Organic compost and soil sales	591	699	(15)
RNG sales	1,500	818	83
Electricity sales	560	460	22
Trucking services and other	14	93	(85)
Total	**8,442**	**7,459**	**13**

Revenue is generated primarily through contracted tipping fees charged to municipalities and other customers for the disposal of organic waste at EverGen's facilities. EverGen also generates revenue from the sale of RNG, electricity, high-quality organic compost and soils, and from hauling services associated with delivering organic waste.

Leading the Development of Canada's RNG Infrastructure



Market Opportunity

Gas utilities have increased their focus on decarbonization. For example, FortisBC's goal of 15% RNG deployment by 2030 (and 30% RNG deployment by 2050) provides a unique opportunity for EverGen to establish a world class RNG platform. FortisBC's program alone can provide potential contracted revenues of ~$16 billion for infrastructure developers over 20 years via fixed price RNG contracts. Other North American utilities are advancing similar goals.

Concurrently, the diversion of organics from landfills has also accelerated, and there is an opportunity to help Canada divert organic waste from landfills and incinerators. Organic waste diversion rates are growing significantly in North America as municipalities adopt landfill bans for organic materials that emit harmful greenhouse gas emissions. While landfill gas represents a significant portion of the RNG generated in North America currently, the largest opportunity for new RNG generation is via organics diverted from landfills and incinerators into anaerobic digesters that can produce RNG with lower carbon intensities. Landfill diversion also allows composting operations to be co-located with anaerobic digesters to facility nutrient recovery. The organic fertilizer and soil amendments can be sold as co-products.

Sources: FortisBC: A little less conversation, a little more (climate) action (August 2020); FortisBC: Clean growth pathway to 2050 (February 2019); Statistics Canada (2018); United States Environmental Protection Agency; and 2020 Environment and Climate Change Canada: National Waste Characterization Report – The Composition of Canadian Residual Municipal Solid Waste

<u>Existing Infrastructure in Canada</u>

With a transmission and distribution grid already in place in Canada, and well-established technologies to extract RNG, the implementation and use of RNG is expected to see an accelerated level of adoption when compared to other renewable fuel sources which require a substantial investment in infrastructure prior to being widely accepted.

EverGen's Competitive Advantage

<u>First Mover Platform: Building on an Existing Local Footprint</u>

EverGen's platform approach to RNG means it can take on projects that are smaller than those traditionally sought after by large renewable infrastructure providers. The Company is technology agnostic, with a focus on risk adjusted cash-based returns. By taking a platform approach, EverGen is able to diversify potential risks and maintain project returns that it believes will exceed other renewable projects. EverGen is able to leverage its experienced team and organic waste processing infrastructure to accelerate growth via brownfield project sites, existing relationships with municipal and commercial waste generators, and an established operational history with regulatory bodies.

<u>Disciplined Execution & Operational RNG Expertise</u>

EverGen brings an experienced team with relevant backgrounds in RNG project development, RNG operations, RNG technology, renewables and energy infrastructure, waste management and disciplined growth of businesses in Canada. The Company's infrastructure-based approach means it evaluates each project on the strengths of the offtake, feedstock, construction and operational certainties and timing aspects. With a disciplined approach, the Company draws upon the experience of its management team to assist in de-risking its technical assumptions, and its support team of experienced professionals with deep understanding of organics management and processing, operational experience of organic waste and anaerobic digestor facilities in Canada and expertise in environmental policy. The Company uses the waste management experience of its management team to understand and develop feedstock strategies, and its relationships to ensure EverGen is a quality partner for offtake agreements.

Positioned for Growth via Acquisitions & Partnerships

EverGen believes it has identified a strong pipeline of potential RNG projects and acquisition opportunities which includes a potential for conversions, optimization and new projects, all while pursuing vertical integration opportunities. The Company works collaboratively with smaller developers to deploy EverGen's technical RNG experience, offtake & feedstock relationships, and disciplined financial expertise to advance projects from early stage to shovel-ready.

EverGen's Strategy

It is EverGen's purpose to contribute to the circular economy, promoting socially conscious business models for waste recycling while providing superior, sustainable returns for the planet by using its platform of investments and its operational excellence to drive rapid RNG grid conversion in addition to:

- progressing the development and construction of existing portfolio of RNG expansion projects;
- optimizing, diversifying and expanding existing organic waste processing capabilities (RNG feedstock);
- continuing the growth of its project portfolio via strategic acquisitions and consolidation opportunities; and
- developing strategic partnerships and advance RNG project pipeline.

ACCRETIVE ACQUIRERS	DISCIPLINED DEVELOPERS	SUSTAINABLE OPERATORS & OWNERS	PARTNERS
Aggregate fragmented assets to deliver accretive returns	Leverage our expertise and partnerships to execute high-potential, risk-managed development projects with discipline	Underpin with long-term contracts and proactive asset management to provide a stable base business	Continually source value-add relationships and funding sources to grow

Growth Plans

PORTFOLIO APPROACH

Aggregating a diverse suite of RNG projects:

- **Anerobic Digestion / Organics**
  - Compost conversion
  - Greenfield circular economy projects
  - Integrated commercial projects
  - Agricultural Projects (dairy and feedlot)
- **Landfill Gas Projects**
- **Municipal Wastewater Treatment Plants**

MULTI-PRONGED TARGETS

Secure a pipeline of de-risked projects

- **RNG Optimization Projects**
  - Improve existing facilities
- **RNG Conversion Projects (brownfield)**
  - Existing organic waste processing
  - Existing biogas to power projects
- **New RNG Infrastructure (greenfield)**
  - Revive stalled development projects

CASH-FLOW FOCUS

Early, accretive cash-flows

- Acquisition of cash flow generating assets, rounding out development profile
- Accelerate development / optimization & early generation of working capital

EverGen is advancing several projects, partnerships and acquisitions with a unique approach to support future growth, with a preference for brown-field developments or projects with existing EBITDA and expected internal rates of return of approximately 15% (project level). The Company's near-term project pipeline and existing portfolio is anticipated to produce approximately 2 million GJ/year of RNG, which includes: (i) the Acquired Businesses, other than the SSS Project (expected production of up to ~480,000 GJ/year) and (ii) Project Radius (expected production of ~1.8 million GJ/year). EverGen believes it is uniquely positioned to consolidate a portfolio of fragmented projects in the RNG sector across Canada and achieve scale on an accretive basis by applying its infrastructure approach. EverGen manages multiple operational RNG projects and maintains organic platform growth by applying a portfolio approach (to aggregate a diverse suite of anaerobic digestion/organics projects, landfill gas projects and municipal wastewater treatment plants) that focuses on multi-pronged targets (optimization, conversion, and new infrastructure projects) with early, accretive cash flows.

Principal Operations

EverGen applies an infrastructure model that exercises financial discipline and seeks to minimize risk on a fully integrated basis, by targeting project returns that are in line with relative risk of the specific project. EverGen's infrastructure approach is based on (i) securing long term contracts with respect to its feedstock inputs (long-term municipal contracts) as well as RNG outputs (FortisBC offtake), (ii) proven AD technology which is commonly used in the European market, and (iii) executing on its development model through its network of strategic partnerships and committed stakeholders.

EverGen's strategy is to develop, own, and operate RNG projects using proven technologies and intends to supply RNG primarily into the gas grid through the operation of RNG projects. EverGen also develops, owns, and operates organics processing facilities which process municipal source separated organics and food waste under long term contracts. These organics are converted to soil products via composting and are intended to be converted to biogas via AD. The biogas would then be upgraded to RNG and sold to gas utilities under long term contracts. EverGen's projects are currently located in British Columbia, Alberta, Saskatchewan, and Ontario. The Company plans to become the dominant supplier of RNG in the form of purified biomethane to FortisBC, the local gas utility, and expand its operations in North America, including actively pursuing the development of project clusters similar to the one in British Columbia in the provinces of Alberta, Saskatchewan, Ontario and Québec.

SPECIALIZED SKILL AND KNOWLEDGE

The nature of the Company's business requires specialized skills, knowledge and technical expertise in the areas of organic waste handling and composting, and RNG development, construction, production and operations.

The EverGen management team has decades of combined experience in the energy and waste management industry. The Company believes that its management team's track record and focus on development of projects gives it a strategic advantage in continuing to grow the business profitably. The Company has targeted personnel with diverse experience and the integration of key technical, environmental, and administrative support functions support EverGen's ability to design and operate projects with sustained and predictable cash flows.

EverGen works with technology providers with proven track records in the organic waste and composting and RNG industries. EverGen also works with leading engineering companies to base project designs on the most suitable equipment and technology for the specific application, including materials handling, digestion and gas upgrading technologies. The Company is actively engaged in each project's development, construction management, start-up and operation. For the acquisition of existing projects, EverGen leads the due diligence process and works with experienced engineering and construction companies in order to estimate the economics and risk for project upgrades and enhancements. This allows EverGen to develop a comprehensive understanding of each project's current operational performance and also determine the most accretive system improvements.

In addition to the specialized skills listed above, the Company also relies on its employees, contractors and consultants with specialized knowledge of development and operations. In order to attract and retain personnel with the specialized skills and knowledge required for the Company's operations, the Company maintains competitive remuneration and compensation packages. To date, the Company has been able to meet its staffing requirements.

COMPETITIVE CONDITIONS

Renewable energy demand is significantly expanding outside of traditional electrical generation driven by a growing appreciation that efforts beyond electrification are needed in order to meet GHG objectives and with a push from many gas utilities to provide renewable sources. Currently, the gas grid in North America has a market share of RNG of less than 1% by volume, with many utilities looking to achieve a target of 5-15% RNG by volume and with some utilities having mandates to reach such targets within certain specified time periods. At the same time, circular economy expectations are growing with organic waste diversion rates growing significantly in North America as municipalities adopt landfill bans for organic materials that emit harmful greenhouse gas emissions.

Since EverGen's inception, tailwinds in the RNG sector have created more attractive offtake pricing year over year. This is in part driven by government mandates and utilities trying to meet their target mix amid an environment without adequate supply of RNG. Using a balanced portfolio strategy with both contracted floor pricing and upside sharing, EverGen is well positioned to take advantage of the momentum in the sector while maintaining its infrastructure approach.

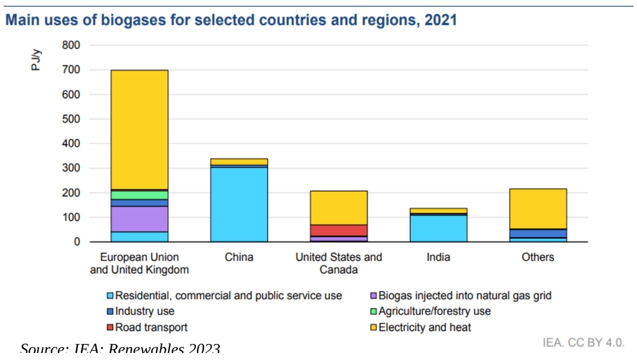
The US Inflation Reduction Act signed at the end of 2022 supports clean energy investments, including verbiage on an Investment Tax Credit ("ITC") for RNG projects, leading to increased capital deployed in the space amid more attractive economics. At the end of 2023, Canada expanded its Clean Technology ITC to include systems using waste biomass to generate electricity, heat, or both, a step in the right direction for biogas projects.

Competition within the RNG space continues to grow as gas utilities as well as strategic players offer more lucrative contracts in order to meet their mandated RNG targets, and government incentive programs provide significant funding in order to accelerate and incentivize capital expenditure into RNG projects, as described below.

Source: Waste 360, Informa Markets, United States Environmental Protection Agency website, Government of Canada website, Wood Mackenzie

Uses of RNG

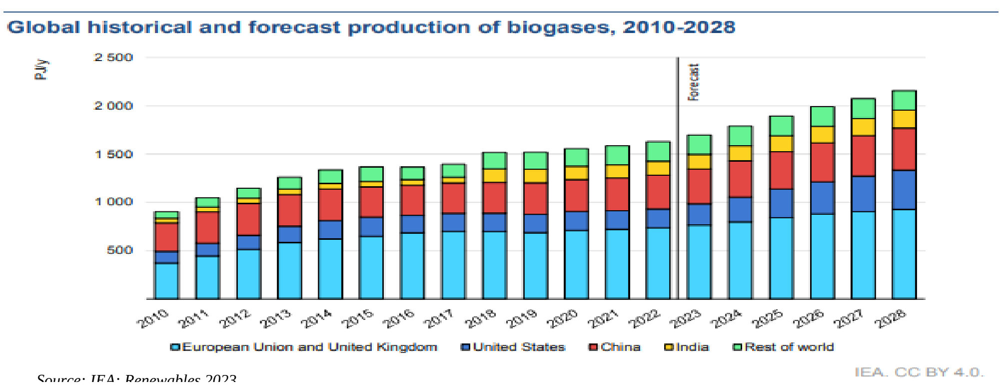
Based on estimates from the IEA, approximately two-thirds of biogas production in 2018 was used to generate electricity and heat (approximately evenly split between electricity and heat). Buildings, mainly in the residential sector for cooking and heating, consume approximately 30%, with the remainder upgraded to RNG and blended into the gas networks or used as a transport fuel.



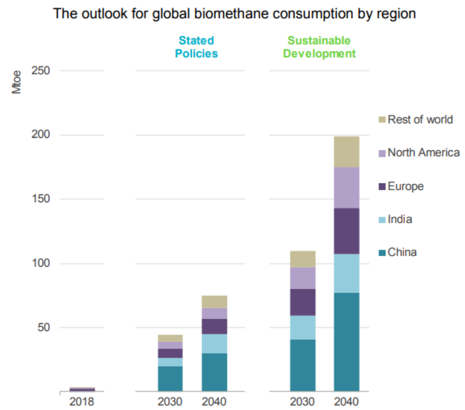
In 2022, the global RNG industry experienced a 23% growth, with production rising from 6 billion cubic metres in 2021 to 7.4 billion cubic metres in 2022. The market size of the industry reached US$11.68 billion in the same year.

In 2022, the combined global production of biogas and biomethane surged to over 1.6 exajoules reflecting a notable 17% increase compared to 2017 levels. Europe contributes nearly half of the total production, with Germany fulfilling nearly 20% of the global demand. Following closely, China accounts for 21%, while the United States and India contribute 12% and 9% respectively.

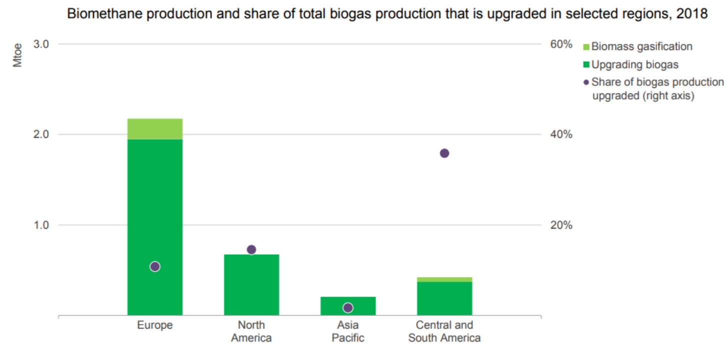
Compared to the period spanning from 2017 to 2022, global biogas production is expected to undergo accelerated growth in the following six-year period. This projection is fueled by the introduction of impactful new policies in over 13 countries during 2022-2023. The most substantial growth is anticipated in Europe and North America, partly due to their well-established infrastructure and experience in the sector.



The Government of Canada is committed to achieving net-zero emissions by 2050. In Canada, the Canadian Gas Association has set a target of 5% renewable gas (RNG or hydrogen) blended into natural gas streams by 2025 and 10% by 2030. Canadian gas utilities such as FortisBC and Énergir have set similar targets, 15% by 2030 and 20% by 2030, respectively. FortisBC has announced that it expects to meet or exceed the 15% by 2030 goal and further aims to transition 75% of the natural gas within their infrastructure to renewable and low-carbon alternatives by the year 2050. Énergir aims for all new grid connections to use 100% renewable energy, striving for carbon neutrality in served buildings by 2040 and distributed energy by 2050. For scale, domestic sales of natural gas totaled 3.438 trillion cubic feet in Canada in 2019 according to the Canadian Gas Association. Nationally, the increased renewable gas content would result in 14 megatons of GHG emission reductions per year by 2030, equivalent to removing 3.1 million passenger cars from the road. RNG consumption is expected to increase from 3 Mtoe in 2018 to 75 Mtoe in 2040, a compound annual growth rate of 16%.

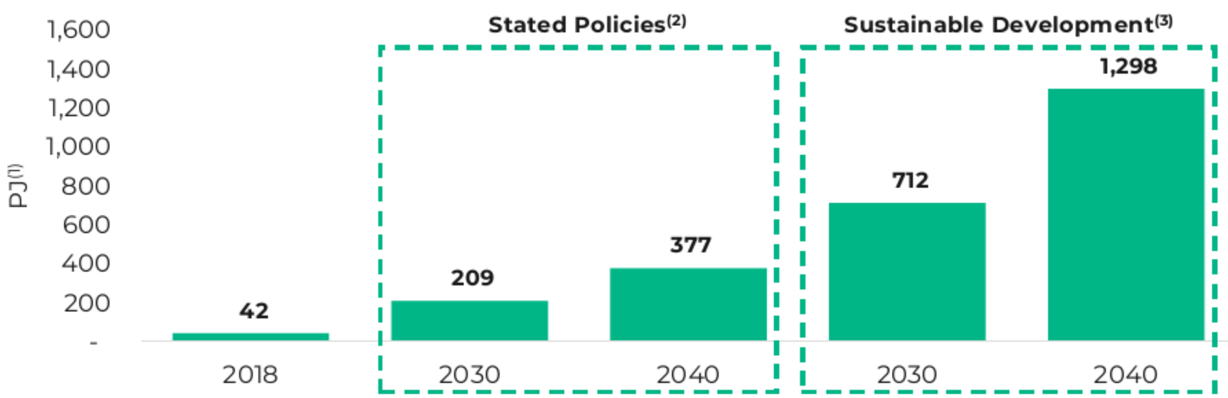


Notes: 1 Mtoe = 11.63 TWh = 1.21 bcm-equivalent to natural gas. China = People's Republic of China.



Note: 1 Mtoe = 11.63 TWh = 1.21 bcm-equivalent to natural gas.
Sources: Analysis based on IEA data and CEDIGAZ (2019).

The North American outlook for global methane consumption under the IEA's Sustainable Development Scenario is set out in the graph below (in petajoules).



Sources: Canadian Gas Association and International Energy Agency: Outlook for biogas and biomethane; Southern California Gas Company; and NW Natural

FortisBC

In March 2017, the Province of British Columbia amended the *Greenhouse Gas Reduction (Clean Energy) Regulation*, prescribed under the *Clean Energy Act*, to include a renewable portfolio allowance of up to 5% RNG on the natural gas system by 2025, creating a strong opportunity for RNG supply in British Columbia and assistance in reducing GHG emissions. Currently, FortisBC has set a target to reduce customers' GHG emissions 30% by 2030. RNG is expected to be a key component in achieving the GHG target with an aim to have 15% of FortisBC's natural gas supply be renewable by 2030 (and 30% RNG deployment by 2050). At the end of 2020, FortisBC achieved energy sales totalling approximately $1.4 billion or the equivalent of 219 PJ.

Sources: FortisBC: 30BY30 target; FortisBC: Clean growth pathway to 2050 (February 2019)

British Columbia RNG Projects

There are currently 7 operating RNG facilities in British Columbia with an additional 14 under development that the Company is aware of. The majority of capacity, 245,000 GJ, is from digester facilities, with an additional 151,000 GJ produced from landfill sites and 60,000 GJ produced from wastewater sites. The province's first gasification facility is currently under development.

Set out below is a breakdown of such RNG facilities in British Columbia (current, in-development and proposed) and the energy produced or projected to be produced.

	Operational	In Development	Proposed
Upgraded Biogas			
Digester	445,000 (4 facilities)(1)	1,453,000 (9 facilities)	N/A
Landfill	151,000 (3 facilities)(2)	705,000 (3 facilities)	N/A
Wastewater	60,000 (1 facility)(3)	--	1 facility
Subtotal	**656,000 (8 facilities)**	**2,158,000 (12 facilities)**	**1 facility**
Gasification	--	1,000,000 (1 facility)	1 facility
Total	**656,000 (8 facilities)**	**3,158,000 (13 facilities)**	**2 facilities**

Notes:

(1) The four operational digester facilities are: (i) Fraser Valley Biogas, located in Abbotsford, British Columbia; (ii) Seabreeze Farms, located in Delta, British Columbia; (iii) Surrey Biofuels, located in Surrey, British Columbia; and (iv) Dicklands Biogas, located in Chilliwack, British Columbia. The substrates at Fraser Valley Biogas, Seabreeze Farms and Dicklands Biogas are manure and biowaste, while the substrate at Surrey Biofuels is source separated organics.

(2) The three operational landfill facilities are: (i) Salmon Arm Landfill, located in Salmon Arm, British Columbia; (ii) Glenmore Landfill, located in Kelowna, British Columbia; and (iii) Quadrogen's RNG project, located in Delta, British Columbia. The substrate at Salmon Arm Landfill, Glenmore Landfill, and Quadrogen's RNG project is landfill gas.

(3) The one operational wastewater facility is Lulu Island Wastewater Treatment Plant, located in Richmond, British Columbia. The substrate is sewage wastewater.

Sources: Publicly Available Data; Canada Energy Regulator; Canadian Gas Association; and FortisBC.

<u>Regulatory Frameworks</u>

Increasingly, several jurisdictions in Canada, both at a federal and provincial level, are exploring and implementing favourable policies to incentivize the development of RNG in an effort to reach emission reduction targets. Additionally, utility companies such as FortisBC and Énergir are opting to implement their own voluntary plans to increase the use of RNG as part of their corporate strategies to reduce greenhouse gas emissions. As regulations and policies continue to evolve in an effort to reach emission reduction targets, the frameworks proposed and implemented are increasingly becoming favourable to the development of RNG projects.

Government of Canada

The Government of Canada has been working on a Clean Fuel Standard ("CFS") that would mandate solid, liquid, and gaseous fuel distributors to lower the emission intensity of their product. The CFS is intended to drive investment and growth in Canada's clean fuel sector by increasing incentives for the development and adoption of clean fuels and technologies and processes, with the aim to significantly reduce pollution. The CFS will require liquid fuel (gasoline, diesel and home heating oil) suppliers to gradually reduce the carbon intensity of the fuels they produce and sell for use in Canada over time, leading to a decrease of approximately 15% (below

2016 levels) in the carbon intensity of liquid fuels used in Canada by 2030. Starting in 2023, the mandate for reducing carbon intensity will commence at 3.5 grams of CO2 equivalent per megajoule (gCO2e/MJ). This threshold will progressively rise by 1.5 gCO2e/MJ annually, reaching 14 gCO2e/MJ by the year 2030.

Additionally, the Government of Canada established the Hydrogen Strategy for Canada in 2020 as part of an ambitions framework to reach net-zero emissions by 2050. The framework will focus on high potential projects and sites across the country, including RNG facilities, with the potential to mix hydrogen with RNG for injection into the natural gas networks. The federal government also established a $182.5 million program to fund alternative fuel infrastructure. The program intends to pay up to 50% of project costs to a maximum of $1 million for alternative fuel stations.

The Government of Canada also re-affirmed its commitment to the proposed CFS with an investment of $1.5 billion over five years to establish a Clean Fuels Fund, to de-risk the capital investment required to build new or expand existing clean fuel production facilities. This program funds 30% of total project costs, up to a maximum of $150 million per project.

The Government of Canada has also shown support for clean tech in the agriculture sector by establishing the Sustainable Canadian Agriculture Partnership. This framework includes the AgriInnovate Fund which supports innovations in the agriculture sector including adoption of clean technologies.

Sources: Government of Canada, the Hydrogen Strategy for Canada and the Electric Vehicle and Alternative Fuel Infrastructure Deployment Initiative.

Ontario

Following the repeal of the *Green Energy and Green Economy Act, 2009*, there has not been a clear legislative mandate or financial incentives supporting RNG projects. However, the Ontario government intends to develop and implement a regulation that bans the disposal of food and organic waste under the Environmental Protection Act (1990), preventing disposal into landfills and incineration facilities, which in turn should create new opportunities for resource recovery approaches and investments. In 2022, Ontario initiated the Emissions Performance Standards program. This program is used to regulate greenhouse gas emissions from large industries and is intended to encourage the industrial sector to reduce green house gas emissions.

Separately, the City of Toronto has implemented strategies supportive of RNG use. The City of Toronto in partnership with Enbridge Inc. approved a strategy to produce approximately 3.3 million cubic meters of RNG from Toronto's green bin organic waste for injection into Enbridge Inc.'s natural gas network. Once in the network, the City of Toronto will blend RNG with purchased natural gas to fuel city owned vehicles and heat buildings. This closed loop strategy is intended to fuel organic waste collection trucks with RNG from the organic waste collected while supporting the City of Toronto's waste management and climate action strategies.

Sources: City of Toronto, Turning Waste into Renewable Natural Gas; QUEST, Canadian Gas Association, and TAF: Renewable Natural Gas (RNG) Handbook

British Columbia

On the back of modifications to the *Greenhouse Gas Reduction (Clean Energy) Regulation*, the British Columbia Utilities Commission has set out a voluntary program in which gas distributors may choose to include renewable energy in their portfolio with a cap of 5% RNG of the total natural gas system. Currently, FortisBC (the largest provider of gas in the province), has allowed customers the option to allocate 5% to 100% of their natural gas use as RNG. Additionally, the utility has been provided authority from the provincial regulator to pay up to $34/GJ for pipeline quality and purified biomethane with in-province projects prioritized for supply contracts. As mentioned previously, FortisBC has a target to achieve 15% of its total natural gas throughput in its piping network to be renewable low carbon sources by 2030 (and by 30% by 2050), in addition, FortisBC is also targeting a 30% reduction in GHG emissions by 2030. Given the demand for RNG in the province, the British Columbia Utilities Commission provided approval in 2020 to FortisBC to sign RNG supply agreements with suppliers in Alberta and Ontario.

Sources: FortisBC: 30BY30 target; FortisBC: Clean growth pathway to 2050 (February 2019); and British Columbia Utilities Commission.

Québec

In its 2030 Energy Policy, the Québec Government has set targets to increase renewable energy production by 25%, through an increase of bioenergy production by 50%, including RNG, by 2030. Bill 106, *An Act to implement the 2030 Energy Policy and to amend various legislative provisions*, allows the province to implement its energy transition master plan. Among other things, Bill 106 amends the *Act respecting the Régie de l'énergie*, providing new measures regarding the distribution of RNG. In March 2019 the Québec government adopted the *Regulation respecting the quantity of renewable natural gas to be delivered by a distributor*, which sets the minimum quantity of RNG produced in Québec and to be injected by a natural gas distributor at 1% of the total quantity of natural gas the distributor distributes as of 2020, and progressively increases that quantity to set it at 5% of the total quantity of natural gas distributed as of 2025.

Furthermore, the province offers subsidies (up to 66% of the capital costs) for municipal RNG projects through the Processing Organic Matter Using Biomethanization and Composting (PTMOBC) program, which has been in place since 2009 and aims to reduce the organic materials in landfills and GHG emissions. In 2020, the Québec Government also established plans to spend $1.2 billion to better manage organic waste over the next 10 years with targets established to have 70% of organic waste composted by 2030.

Sources: Québec Government, Québec Residual Materials Management Policy; Énergir

Alberta

In 2020, Bill 19, the *Technology Innovation and Emissions Reduction Act,* paved the way for Alberta's new TIER (*Technology Innovation and Emissions Reduction Regulations*) system. TIER is an improved system to help industries find innovative ways to reduce emissions and invest in clean technology. This regulation requires regulated facilities to reduce greenhouse gas emissions and applies to facilities that emit more than 100,000 tonnes of Co2.

Furthermore, Emissions Reduction Alberta ("ERA") was created in 2009 to help deliver on the province's environmental goals. The ERA currently helps Alberta reduce GHG emissions by funding clean technology projects through the Circular Economy Challenge. The ERA is committing $58 million throughout the province to projects worth $528 million, funding is sourced form the Government of Alberta's Technology Innovation and Emissions Reduction (TIER) fund.

Source: Government of Alberta

NEW PRODUCTS

The Company has not publicly announced the introduction of any new products since the filing of its long form prospectus on July 26, 2021.

INTANGIBLE PROPERTIES

The Company has acquired certain intangible assets as part of the Acquisitions, which include brands, customer contracts and stakeholder relationships. The majority of the Company's intangible properties are based on customer contracts inherited through the Acquisitions as well as the Customer relationships. The Organic Waste and Composting operating segment includes approximately $16 million of intangible property and the RNG production operating segment approximately $8 million of intangible property, which all have durations between 2 and 25 years.

CYCLES

The Company's operations are cyclical in nature as organic waste is generally delivered to site in larger quantities in the Spring, Summer and Fall and tends to slow down in the winter months. Additionally, compost sales tend to be higher in the spring and summer months and reduce in the fall and winter.

ECONOMIC DEPENDENCE

The Company's business is largely reliant on its tipping fee contracts in place with the City of Abbotsford, the City of Chilliwack the City of Coquitlam and the City of Regina, pursuant to which it will receive and process all of their organic waste.

Additionally, the Company has RNG offtake agreements with Irving Oil and FortisBC at the GrowTEC Project and FortisBC at the FVB and PCR Projects. The RNG offtake agreements have a remaining term ranging from 6 months to 20 years and include varying levels of minimum and maximum production requirements. The Company is currently negotiating a new RNG offtake agreement for the FVB project.

CHANGES TO CONTRACTS

The FVB Project is currently operating under a six-month interim RNG Offtake Agreement following the expiry of historical agreement, while negotiating a new agreement with FortisBC. Following the completion of the RNG project, the facility is expected to produce over 160,000 GJ of RNG annually (440 GJ/day) – enough to heat on average approximately more than 2,000 homes per year.

EMPLOYEES

Consistent with EverGen's strategy to consolidate and integrate RNG facilities under a common lean operating platform, the Company directly employs 13 employees focused on management at the platform level and on realizing synergies in development and operations, and through and together with the employees of the Acquired Businesses, has a total of 35 employees.

BANKRUPTCY OR SIMILAR PROCEDURES

Neither the Company, nor any of its subsidiaries, have been involved in any bankruptcy, insolvency, receivership or any similar proceedings.

REORGANIZATIONS

Neither the Company, nor any of its subsidiaries, have been involved in any reorganizations.

SOCIAL/ENVIRONMENTAL POLICIES

EverGen's strategy is intertwined with its commitment to deliver on societal expectations of a circular economy and fulfilling environmental, social, and corporate governance ("**ESG**") values. EverGen is contributing to Canada's climate change initiatives through RNG solutions, as well as contributing to the circular economy in recycling waste. Currently, EverGen's projects are located in British Columbia, Alberta, Saskatchewan and

Ontario with plans to expand into other North American regions over the coming years as other regulatory frameworks progress and projects become available.

EverGen is delivering on its ESG values as follows:

Environmental	Recycling waste products and reducing greenhouse gas emissions in the production of renewable energy, which replaces higher-carbon sources.
Social	Operating as a community-focused business, receiving and recycling organic waste from local municipalities and businesses. Focusing on partnering with First Nations communities who host operations and provide a vital workforce.
Governance	Commitment to strong governance in operations and in planned growth and development of RNG.

EverGen is proactively engaging with local businesses, such as restaurants and food and beverage producers and distributors, to advance socially conscious commerce and creates mutually beneficial and socially responsible alternatives to traditional waste disposal to achieve a reduced carbon footprint. These relationships represent a significant area of growth and diversification from EverGen's existing customer base and provide the opportunity for market expansion while fulfilling society's expectations of directing organic waste for recycling and the production of renewable energy. EverGen expects to realize on the societal and local changes in policies, programs and demand for more waste recycling and RNG production.

EverGen is committed to maintaining meaningful and collaborative relationships in the communities in which it operates, with a key focus on working with First Nations groups, who are integral to its operations and who make up a significant percentage of the Company's workforce.

EverGen 2023 Sustainability Highlights:

ENVIRONMENTAL

80,608 tonnes
Of organic waste diverted from landfill during 2023
2022: 76,730 tonnes

27,066 yards
of organic compost and soil produced during 2023
2022: 33,972 yards

62,891 GJs
Of renewable natural gas produced during 2023
2022: 51,848 GJs

3,116 MWh
Of electricity produced during 2023
2022: 1,270 MWh

SOCIAL

$60 million
Invested in global energy infrastructure

+46
Permanent green jobs created since 2020

75%
Indigenous workforce at Sea to Sky Soils site

GOVERNANCE

60%
Of board members are independent

40%
Of board members women

ENVIRONMENTAL

EverGen captures methane from diverted landfill organics, such as food waste and agricultural residues, that otherwise would emit harmful greenhouse gas ("**GHG**") emissions if not effectively captured. Methane is a potent GHG that is released from decomposing organic matter in landfills and contributes significantly to global warming. However, EverGen uses anaerobic digestion to capture and utilize this methane to produce renewable energy and reduce GHG emissions.

According to the Intergovernmental Panel on Climate Change (IPCC), methane has a global warming potential 28 times greater than carbon dioxide over a 100-year time horizon. Therefore, capturing and utilizing methane from EverGen's anaerobic digestion process can help to mitigate climate change. Moreover, producing renewable energy from biogas can reduce reliance on fossil fuels, leading to a reduction in greenhouse gas emissions associated with their extraction, transport, and combustion.

The Canadian federal government has set a target to reduce GHG emissions by 30% below 2005 levels by 2030 and has identified the diversion of organic waste from landfills as a key strategy to achieve this target. As a result, many provinces and municipalities have implemented policies and regulations to encourage the use of anaerobic digestion for organic waste management and renewable energy production.

Methane emissions from landfills in Canada are a significant contributor to the country's greenhouse gas emissions. According to a discussion paper published by Environment and Climate Change Canada, municipal solid waste landfills accounted for approximately 23% of Canada's methane emissions in 2021. This makes landfills the third-largest source of methane emissions in Canada, after oil and gas production and agriculture. However, there has been some progress in reducing methane emissions from landfills, with the implementation of landfill gas collection systems and other mitigation measures. As of 2020, the total amount of methane captured from Canadian landfills is approximately 3.2 million tonnes of CO_2e. Despite this progress, there is still much work to be done to reduce methane emissions from landfills and meet Canada's climate change targets.

Metrics and Targets

EverGen strives to address and govern ESG reporting more explicitly and recognizes that as the ESG reporting framework continues to evolve, more formal and robust processes are required to better track and improve our ESG disclosures. Furthermore, EverGen intends to continue to develop metrics and targets in addition to the GHG emissions below.

<u>EverGen's Scope 1 Emissions:</u>

The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard Revised Edition defines Direct GHG emissions as emissions that occur from sources that are owned or controlled by the company. This is the protocol we have used to determine our operational GHG emissions. These emissions typically include the following:

- **Stationary combustion:** combustion of fuels in stationary equipment (e.g., boilers, furnaces, burners, turbines, heaters, incinerators, engines, flares).
- **Mobile combustion:** combustion of fuels in transportation devices (e.g., cars, trucks, buses, trains, airplanes, boats, ships, barges, vessels).
- **Process emissions**: emissions from physical or chemical processes (e.g., CO_2 from the calcination step in cement manufacturing, CO_2 from catalytic cracking in petrochemical processing, PFC emissions from aluminum smelting).

- **Fugitive emissions**: intentional and unintentional releases (e.g., equipment leaks from joints, seals, packing, gaskets, as well as fugitive emissions from coal piles, wastewater treatment, pits, cooling towers, and gas processing facilities).

Source: CPA Canada: GHG Emissions Management

Scope 1 emissions are considered to be the most significant and easily identifiable source of GHG emissions for an organization, as they are under direct control of the organization. Tracking and managing Scope 1 emissions is an essential aspect of corporate sustainability and climate action planning, as reducing these emissions can significantly contribute to reducing an organization's overall carbon footprint.

2023 Scope 1 Emissions

EverGen's 2023 Operational GHG Emissions:

2,510.22 tCO_2e

↓

Total GHG emissions from fossil fuels: **1,923.83 tCO_2e**

Total GHG emissions from biogenic sources: **586.40 tCO_2e**

EverGen's 2022 Operational GHG Emissions: 1,271.23 tCO2e → fossil fuels: 934.76 tCO_2e, biogenic: 336.47 tCO2e

2023 Scope 2 Emissions

The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard Revised Edition defines Scope 2 emissions as indirect GHG emissions associated with the purchase of electricity, steam, or cooling. These emissions physically occur at the facility where they are generated.

EverGen's 2023 Scope 2 GHG Emissions:

52.69 tCO_2e

2023 Scope 3 Emissions

EverGen is evaluating how best to compile and report on its Scope 3 emissions, and is awaiting pending publication by the ISSB for future guidance.

SOCIAL

Health and Safety

EverGen was established for the purposes of contributing to a circular economy in waste recycling and waste to energy production through sourcing, operating, and developing sustainable infrastructure, and fulfilling the Company's ESG values. The Company places great emphasis on providing a safe and secure working environment for all its employees, contractors, and consultants, and recognizes the importance of operating in a sustainable manner. On March 18, 2021, the Company adopted the Code of Business Conduct and Ethics of the Company (the "**Code**"), which sets out its purpose and the standards that guide the conduct of its business and the behaviour of its directors, officers, employees, and consultants. All new employees must read and acknowledge that they will abide by the Code when hired. The Code, among other things, sets out standards in areas relating to the Company's commitment to safety and sustainability in its business operations and the identification, elimination, or control of workplace hazards; promotion and provision of a work environment in which individuals are treated with respect, provided with equal opportunity and is free of all forms of discrimination and abusive and harassing conduct; and ethical business conduct and legal compliance.

EverGen's executive team places the highest priority on the health and safety of its staff and third parties at its sites, as well as the protection of the environment. The Company's corporate culture is built around supporting these priorities, as reflected in its well-established practices and policies. EverGen's high safety standards include active monitoring of all field workers, performing environmental, health and safety ("**EHS**") audits and using technology throughout its safety processes from employee training in compliance with operational processes and procedures to emergency preparedness. By extension, the Company incorporates its EHS standards into its subcontractor selection qualifications to ensure that its commitment to high EHS standards is shared by its subcontractors and stakeholders.

The Board has established a Safety and Sustainability Committee to assist the Board in fulfilling its oversight responsibilities relating to operating in a safe, environmentally, and socially responsible (sustainable) manner, which is described further under "Governance" below.

The Company has also adopted a Whistleblower Policy for individuals to report complaints and concerns regarding, among other things, accounting, internal accounting controls and auditing matters.

Diversity, Equity, and Inclusion

The Company is committed to having a respectful and supportive workplace that enables us to attract and retain a diverse workforce that represents our communities. The Company prioritizes ethical leadership, accountability, inclusion and continuous learning and improvement.

EverGen demonstrates leadership through aligning diversity and inclusion efforts with EverGen's strategic goals and objectives.

The Company promotes equal employment opportunity and continues to develop and implement initiatives designed to prevent discrimination, harassment, and other actions that undermine our commitment to diversity, inclusion, and equal opportunity. When recruiting employees, we are committed to administering a fair and systematic approach for recruiting, evaluating, and selecting employees. The Company maintains partnerships with diverse professional associations to help develop and maintain a pipeline of diverse candidates for employment.

Community Impact

EverGen operates a community-focused business, receiving and recycling organic waste from local municipalities and businesses. EverGen is also focused on partnering with local First Nations, including as hosts for its operations and as workforce participants. We are dedicated to developing sustainable, meaningful, and inclusive collaborations with stakeholders, communities, First Nations employees and contractors, customers, and investors.

We are committed to maintain meaningful and collaborative relationships in the communities in which it operates, with a key focus on working with First Nations groups, who are integral to our operations and make up a significant percentage of EverGen's workforce.

Community Compost Giveaway - PCR

PCR holds an annual compost giveaway to local residents in order to promote sustainable practices and make a positive impact in the community. Through PCR compost donation program, every Earth Day PCR delivers 1,000 bags of compost to the city of Coquitlam. By providing free compost to local residents, these initiatives encourage environmental stewardship and raise awareness about the benefits of composting.

Partnership with Lil'wat Nation - SSS

EverGen is proud to be in partnership with the Lil'wat Nation. As the landowners of our SSS site in Pemberton, BC, we are committed to the local community, and choose to employ the majority of our staff from the First Nation. A condition Lil'wat Business Group (LBG) put in place is that SSS onsite workforce be two-thirds Lílwat7úl. Currently, the Lil'wat community composes 90%+ of the staff at SSS.

SSS has been working with the Lil'wat Nation for approximately 10 years and together we have been focused on environmental stewardship and the long-term sustainability of our region. Sea to Sky Soils also provides organic soil and financial support to various programs including the Lil'wat Nation's agriculture program, community gardens and schools.

Economic Impact

Our facilities create jobs at various levels, from laborers who handle the composting process to managers who oversee operations. These jobs provide employment opportunities for local residents, contributing to economic growth and reducing unemployment rates.

PCR, SSS, PSO, FVB and GrowTEC also source materials from local farms, municipalities, and industrial companies, creating a market for these organic waste materials that would otherwise be discarded to landfill.

The use of organic compost in the local agriculture community can also result in improved crop yields and reducing reliance on chemical fertilizers, leading to potential cost savings for farmers.

GOVERNANCE

As a business focussed entirely on contributing to the circular economy in recycling waste and establishing a RNG infrastructure platform, managing risks associated with climate change is critical for long-term success and climate-related issues are inherently addressed by the Board and the executive management of EverGen.

The Board has established a Safety and Sustainability Committee to assist the Board in fulfilling its oversight responsibilities relating to operating in a safe, environmentally and socially responsible (sustainable) manner and ensuring the integrity of policies and practices with respect to: workforce and public safety in Company activities and at its operating sites; and sustainability in Company activities with respect to people (wellbeing), planet (environmental) and prosperity (community and innovation) considerations. In particular, the Safety and Sustainability Committee is responsible for, among other things: reporting to the Board on matters and items related to the safety and sustainability program of the Company; ensuring that there are appropriate processes in place to facilitate identification of various safety and sustainability risks that may arise from the Company's operations and related mitigation and possible resulting consequential risks to the Company, its subsidiaries and directors, officers and employees; assessing whether the Company's safety and sustainability policies are effective, properly implemented and comply with applicable legislation and industry standards; reviewing corporate safety and sustainability activities and performance; reviewing the Company's method of communicating (internally and externally) safety and sustainability policies, practises and procedures; reviewing and assessing the sufficiency of resources to the Company's safety and sustainability program; ensuring that appropriate reporting procedures are established relating to safety and sustainability matters by management to ensure adequate reports are made to the chair of the Safety and Sustainability Committee on a regular basis; reviewing insurable risks related to safety and sustainability issues; evaluating adequacy of insurance coverage; and performing any other activities consistent with the Safety and Sustainability Committee's mandate and generally, covering laws as the Safety and Sustainability Committee or Board deems necessary or appropriate.

While contributing to the solution of climate-related issues through the reduction of GHG emissions, EverGen also faces climate-related risks through the increasing frequency and intensity of extreme weather events, such as hurricanes and floods, which can have a direct impact on our operations and supply chain. EverGen believes that unless GHG emission reduction targets are met, extreme weather events will continue to increase in frequency and intensity into the medium and long term. The adoption of the transition to a low-carbon economy remains a long-term risk, which is currently being mitigated through government-level mandates and initiatives. However, continued commitment from governments to reduce GHGs will be required to support EverGen's operations. The reduction or elimination of incentives for green energy projects, could impact our business. For more details on the risks that impact our business, please refer to "Risk Factors" below.

Mitigating climate related risks is key factor of EverGen's processes, technology, and products. EverGen's Management plays a crucial role in providing oversight and guidance on climate-related matters. EverGen's policies and procedures implicitly address climate-related risks. Management is responsible for establishing a culture of sustainability and incorporating climate considerations into the Company's strategic goals and decision-making processes, as well as ensuring that the policies adopted by the Board are carried out on a day-to-day basis by the Company. Management also has a role in identifying trends that may generate climate-related risks and opportunities for the Company. For example, during late-2021 certain of the Company's facilities were impacted as a direct result of 100-year flooding events in the Abbotsford and Sumas Prairie regions. To mitigate this risk, the Company subscribes for insurance in amounts which it considers appropriate in the circumstances and having regard to industry norms and critical infrastructure, as part of the Company's RNG expansion and development projects, are being built above the flood line.

RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk due to the nature of the Company's business. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements contained herein. Prospective investors should carefully consider the following risk factors along with the other matters set out herein.

We have limited current liquidity.

As at December 31, 2023, the Company a working capital deficit of $3.6 million primarily relating to outstanding accounts payable and accrued liabilities from capital expenditures incurred within the Company's RNG operating segment. The current working capital deficit could limit the Company's ability to meet its financial obligations and growth prospects. As a result of the delayed commencement of RNG production at GrowTEC along with greater than expected capital costs associated with the RNG expansion at the FVB Project, the Company expects that it will need to obtain additional sources of financing, in addition to amounts generated from operations, to meet its obligations and commitments and minimum liquidity requirements under its financial covenants. Additional potential sources of financing that the Company is actively pursuing or may consider pursuing, include: entering into new debt facilities, borrowing additional amounts under existing facilities, the refinancing or extension of certain borrowings, selling certain assets and seeking joint venture partners for the Company's business interests. Certain of the above initiatives have been completed subsequent to the statement of financial position date, however, there can be no assurance that any such sources of financing will be available to us on acceptable terms, if at all.

The Company's Renewable Energy Projects May Not Generate Expected Levels of Output

The renewable energy projects that the Company constructs and owns are subject to various operating risks that may cause them to generate less than expected amounts of RNG or biogas. These risks include a failure or wearing out of the Company's or its customers' or utilities' equipment; an inability to find suitable replacement equipment or parts; less than expected supply or quality of the project's source of RNG and faster than expected diminishment of such RNG supply; or volume disruption in the Company's fuel supply collection system. Any extended interruption and or volume disruption in the project's operation, or a failure of the project for any reason to generate the expected amount of output, could adversely affect the Company's business and operating results. The Company may in the future incur material asset impairment charges if any of its renewable energy projects incur operational issues that indicate the expected future cash flows from the project are less than the project's carrying value. Any such impairment charge could adversely affect the Company's operating results in the period in which the charge is recorded.

The Company typically faces a long and variable development cycle that requires significant resource commitments and a long lead time before realizing revenues.

The development, design and construction process for the Company's projects generally lasts from 12 to 36 months. This development process requires the dedication of significant time and resources from the Company's development team, with no certainty of success or recovery of expenses. Further, upon commencement of operations, it typically takes 12 months or longer for the project to ramp up to the expected production level. All of these factors, and in particular, increased spending that is not offset by increased revenues, can contribute to fluctuations in the Company's quarterly financial performance.

The Company's Projects may not Generate the Expected Levels of Output Resulting from Decreased Feedstock Supply

The Company relies on obtaining long-term municipal contracts for the supply of feedstock materials such as source separated organics. The success of the Company's projects is dependent upon feedstock supply. There can be no assurance that the counterparties to such feedstock agreements will elect to extend the agreements at the expiration of their respective initial term, or that the Company will be able to enter into a replacement agreement on similar terms or at all, nor is there any assurance that the Company would be able to replace lost feedstock as a result of a failure to renew an existing contract. Changes in the broader waste collection industry, could impede the feedstock supply that the Company currently targets for its projects. The level of output of the Company's projects may be materially and adversely affected if suppliers of a material amount of feedstock terminate, fail to extend or breach their contracts and the Company is unable to secure substitute contracts. There may also be a lapse in time between when a shortfall of contracted-for feedstock occurs and when alternative feedstock becomes available.

The Company's Renewable Gas Infrastructure Platform may Fail to Reach Performance Expectations

The performance of the Company's RNG, waste to energy and related infrastructure systems may encounter problems due to the failure of the technology of others, the failure to combine these technologies properly, operator error or the failure to maintain and service the systems properly. Although many of these risks are contracted to established system providers via engineering, procurement and construction contracts and the Company's supply contracts, there are liability limits within each contract. Many potential problems and delays are beyond the Company's control, such as factory closures and supply chain disruptions. Any problem or perceived problem with the renewable gas systems, whether originating from its technology, design, or installation, could impact the Company's business, financial condition, and results of operations.

The Company's Commercial Success Depends on its Ability to Develop and Operate Individual Renewable Energy Projects

The Company's specific focus on the renewable energy sector exposes the Company to risks related to the supply of and demand for energy commodities, the cost of capital expenditures, government regulation, world and regional events and economic conditions, and the acceptance of alternative power sources. As a renewable energy producer, the Company may also be negatively affected by lower energy outputs resulting from variable inputs, mechanical breakdowns, technology design flaws or changes to policy or the laws and regulations that mandate the use of organics diversion and renewable energy.

The Company intends to develop or acquire waste to energy projects where biogas is generated from various organic, food, green and agricultural waste via AD and composting in a processing facility. Landfill gas is a viable source of biogas, which provides most of the potential for RNG generation in British Columbia. Biogas is generated from AD systems and EverGen secures most of its feedstock supply through long-term "green bin" municipal contracts, in which it is paid "tipping fees" to convert residential organic waste to renewable energy and soil products. EverGen also acquires feedstock from commercial and agricultural sources, which is used to generate renewable natural gas via AD and make an organic fertilizer. The majority of the Company's revenues are primarily derived from municipal contracts in the Lower Mainland of British Columbia. Although organics diversion rates and population growth are both increasing in the area, there is no assurance that long-term feedstock rights will be secured or retained, which the Company is dependent on as both its primary source of revenue and as feedstock supply for any future RNG production projects. There is no assurance that the Company will be successful in its plans to design, build, own, and operate facilities that convert the organics into RNG, soil products and fertilizer.

In addition, a number of other factors related to the development and operation of individual renewable energy projects could adversely affect the Company's business, including:

- regulatory changes that affect the demand for or supply of renewable gas and the prices thereof, which could have a significant effect on the financial performance of the Company's projects and the number of potential projects with attractive economics, including changes in government programs and incentives promoting renewable energy or GHG emission reductions;
- regulatory changes to agricultural and livestock management policies that could change the incentives and non-compliance penalties for organic waste, manure management and nutrient management rules, which incentivize farming operations to direct their waste to anaerobic digesters;
- changes in the broader waste collection industry, including changes affecting the waste collection and organics diversion, which could impede the waste to energy resource that the Company currently targets for its projects;
- changes in the permitting processes or rules in the regions where the Company operates or is developing new projects;
- changes in energy commodity prices, such as natural gas, diesel fuel, and wholesale electricity prices, which could have a significant effect on the Company's operating costs;
- a decrease in the availability and timeliness of delivery of raw materials and components necessary for the projects to function;
- an increase in the pricing of raw materials due to inflationary pressure;
- the competitive landscape as an increased number of RNG production facilities become operational; and
- unexpected delays in the development and completion of renewable energy projects as well as unforeseen events giving rise to force majeure or unexpected delays once such projects are operational.

Any of these factors could prevent the Company from completing or operating its projects, or otherwise adversely affect its business, financial condition and results of operations.

Failure to Implement the Company's Growth Strategy could Impact Financial Performance

In order to manage growth and changes in strategy effectively, the Company must: (a) maintain adequate facilities to meet customer demand and comply with contractual obligations; (b) expand sales and marketing capabilities; (c) develop a strategy to build, acquire or supply RNG facilities; (d) expand the skills and capabilities of its current management team; and (e) attract and retain qualified employees. The Company's expected growth depends on its ability to leverage its industry experience and relationships with customers and vendors to ensure the economic viability of pursued opportunities. While the Company intends to focus on managing its costs and expenses over the long term, it expects to invest to support its growth and may have additional unexpected costs. It may not be able to expand quickly enough to exploit potential market opportunities. Failure to successfully implement the Company's growth strategy could reduce the growth of the Company's revenue and net income and adversely affect the Company's business, overall financial condition and results of operations. If the Company experience significant cost overruns in its operations, or if its growth strategy is more costly than anticipated, certain projects may be delayed or eliminated, resulting in changes or delays to the Company's business plans, or the Company may be compelled to secure additional funding (which may or may not be available) to execute its growth strategy. The Company cannot predict with certainty its future revenues or results from its operations. If the assumptions on which revenue or expenditure forecasts are based change, the benefits of the Company's growth strategy may change as well. In addition, the Company may consider expanding its business beyond what is currently contemplated in its growth strategy. Depending on the financing requirements of a potential acquisition or new project, the Company may be required to raise additional capital through the issuance of equity or debt. If the Company is unable to raise additional capital on acceptable terms, it may be unable to pursue a potential acquisition or new project.

Growth in Demand for Renewable Energy will be Dependent upon Widespread Adoption.

The Company's services largely depend upon the increased use and widespread adoption of and demand for renewable energy. The timeline for when such widespread adoption will take place is uncertain and may necessitate the Company to markedly change its financial projections. Many factors will influence the widespread adoption of renewable energy and demand for renewable energy projects, including:

- cost effectiveness of renewable energy technologies as compared with conventional and competitive technologies;
- performance and reliability of renewable energy products as compared with conventional and non-renewable products;
- fluctuations in economic and market conditions that impact the viability of conventional and competitive alternative energy sources;
- increases or decreases in the prices of oil, coal and natural gas;
- continued deregulation of the electric power industry and broader energy industry; and
- availability or effectiveness of government subsidies and incentives.

Potential Acquisition and Investment Opportunities may not be Completed.

In the normal course, the Company regularly evaluates and considers, and may be engaged in discussions and negotiations with respect to, potential acquisition and investment opportunities that it believes may assist it in achieving its business and growth plans, and in connection therewith it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. There can be no assurance that any such discussions, negotiations, non-binding letters of intent or conditional agreements will result in a definitive agreement with respect to an acquisition or investment, and, if they do, what the terms or timing of such would be or that such acquisition or investment will be completed by the Company. If the Company does complete any such transaction, it cannot assure investors that the transaction will ultimately strengthen EverGen's financial or operating results, prospects or competitive position or that it will not be viewed negatively by customers, securities analysts or investors. Such transactions may also involve significant commitments of the Company's financial and other resources including the completion of additional financings of equity or debt (which may be convertible into equity). Any such activity may not be successful in generating revenue, income or other returns to the Company, and the resources committed to such activities will not be available to the Company for other purposes.

The Reduction or Elimination of Government Incentives for Renewable Energy Projects or Other Related Policies could Adversely affect the Company's Business, Financial Condition and Results of Operations

The Company depends, in part, on provincial and local government incentives in the jurisdictions in which we operate provided in the form of rebates, grants tax credits, carbon credits and other incentives to end users, distributors, system integrators and companies engaging in projects that promote waste management and therefore a reduction of greenhouse gas emissions. These government economic incentives could be reduced or eliminated altogether, or the categories of renewable energy qualifying for such government economic incentives could be changed. Any reductions in, eliminations or expirations of or significant changes to the incentive structure in the jurisdictions in which we operate, could potentially have an adverse effect on the Company's operations.

The Company faces certain Regulatory Risks, Including Changes to National and Local Legislation

Renewable energy and RNG regulations are dynamic and subject to evolving interpretations which could require the Company to incur substantial costs associated with compliance or alter certain aspects of its business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of the Company's operations. The Company cannot predict the nature of any future laws, regulations, interpretations or applications towards renewable energy policies, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on the Company's business. Compliance with any such legislation may have a material adverse effect on the Company's business, financial condition, and results of operations. For example, regulatory approvals or permits may be required for the installation, maintenance, or use of renewable energy, RNG, waste to energy, and related infrastructure projects under federal, provincial and municipal regulations governing renewable energy. To the extent that there are delays in gaining regulatory approval, the Company's development and growth may be constrained.

In March 2017, the province of British Columbia announced the "Renewable Portfolio Allowance" for renewable natural gas. As part of this initiative, the Government of British Columbia amended the *Greenhouse Gas Reduction (Clean Energy) Regulation*, prescribed under the *Clean Energy Act*, to include a renewable portfolio allowance through which natural gas utilities are permitted to acquire up to 5% of their supply from RNG. The net effect of the changes in legislation was that the British Columbia utilities were able to purchase renewable natural gas for up to $30/GJ, and currently allows for pricing in excess of $34/GJ, which represents a significant premium from prices paid prior to the change in legislation. Supportive government policy with respect to GHG emission reduction currently provides enhanced opportunities for suppliers to produce RNG in British Columbia, however all government policy, laws and regulations are subject to change without notice.

Management expects that the legislative and regulatory environment in the renewable energy industry in Canada will continue to positively develop but will still be dynamic for the foreseeable future. The Company's business may suffer if environmental policies change and no longer encourage the development and growth of renewable energy solutions. Public opinion can also exert a significant influence over the regulation of the renewable energy industry. A negative shift in the public's perception in the feasibility of renewable energy could affect future legislation or regulations in Canada. There is no assurance that any future changes in environmental regulation will not adversely affect the Company's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

The Company relies on Permits and Authorizations and Delays in Receiving Such Permits and Authorizations

Certain contemplated capital expenditures and installation of RNG, waste to energy, and related infrastructure projects may require the Company to seek approval of appropriate regulatory authorities. There is no guarantee that regulatory authorities will approve any contemplated installation, or expansion and/or renovation, which could adversely affect the business, financial condition, and results of the Company's operations.

EverGen may need to obtain or modify numerous environmental and other regulatory permits, approvals, and consents from federal, provincial and local governmental entities, including air permits, wastewater discharge permits, permits or consents related to the management of municipal source separated organics and food waste and permits and consents related to the management and disposal of waste. A number of these permits, approvals and consents must be obtained prior to the start of development of a project. Other permits, approvals, and consents, including environmental permits, are required to be obtained at, or prior to, the time of first commercial operation or within prescribed time frames following commencement of commercial operations. Should the relevant authorities fail to issue the necessary permits or authorizations to the Company, the Company may be curtailed or prohibited from proceeding with its RNG, waste to energy, and related infrastructure projects as currently proposed and the business, financial condition, and results of operations of the Company may be materially adversely affected.

In addition, once a permit, approval or consent has been issued or acquired for a project, the Company must take steps to comply with the conditions of each permit, approval, or consent conditions, including conditions requiring timely development and commencement of the project. Failure to comply with certain conditions within a permit, approval or consent could result in revocation or suspension of such permit, approval or consent; the imposition of penalties; or other enforcement action by governmental entities.

The Company's Operations subject us to Environmental Risks

Environmental legislation imposes, among other things, restrictions, liabilities, and obligations in connection with the generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances and gases to the environment. In addition, certain types of operations may require the submission and approval of environmental impact assessments. Compliance with environmental legislation can require significant expenditures and failure to comply with environmental legislation may result in the imposition of fines and penalties and liability for cleanup costs and damages. Changes in environmental legislation may require, among other things, reductions in emissions to the air from the Company's existing and future operations and result in increased capital expenditures. Future changes in environmental legislation could occur and result in stricter standards and enforcement, fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on the operations of the Company.

There is no assurance that the Company has been, or will be, at all times in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety approvals and permits. Efforts to conduct operations in compliance with all applicable laws and regulations, including environmental rules and regulations, require programs to promote compliance, such as training employees and customers, purchasing health and safety equipment and in some cases hiring outside consultants and lawyers. Even with these programs, companies in the environmental services industry are routinely faced with government enforcement proceedings, which can result in fines or other sanctions and require expenditures for remedial work on waste management facilities and contaminated sites. The potential costs and delays associated with compliance with such laws, regulations, approvals, and permits could prevent the Company from economically operating or cause increased capital expenditures or operating expenses. Delays in obtaining the necessary permits or meeting conditions to achieve such compliance have the potential of causing additional costs or delays to EverGen's operations, and any non-compliance with such laws, regulations, approvals and permits or delays necessary to achieve compliance or rectify non-compliance in a changing legal or regulatory landscape could result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Environmental hazards may also exist on the properties on which the Company holds interests whether known or unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties and for which the Company may be liable for remediation. Furthermore, the Company may experience unforeseen incidents in its operations, giving rise to spills, leaks, contamination, emissions releases, groundwater contact, or a wide variety of other environmental issues. The costs of such remediation, compensation, fines or penalties could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

If completed, any potential merger and acquisition activity may fail to achieve the expected benefits of the transaction, including potential disruptions to operations, higher than anticipated costs and efforts to integrate, and loss of key personnel.

The Company may seek to expand through future acquisitions; however, there can be no assurance that the Company will locate attractive acquisition candidates, or that the Company will be able to acquire such candidates on economically acceptable terms, if at all, or that the Company will not be restricted from completing acquisitions pursuant to the terms and conditions from time to time of arrangements with third parties, such as the Company's creditors. Future acquisitions may require the Company to expend significant amounts of cash, resulting in the Company's inability to use these funds for other business or may involve significant issuances of equity or debt. Future acquisitions may also require substantial management time commitments, and the negotiation of potential acquisitions and the integration of acquired operations could disrupt the Company's business by diverting management and employees' attention away from day-to-day operations.

Any future acquisition involve potential risks, including, among other things: (i) the possibility that the Company, as a successor owner, may be legally and financially responsible for liabilities of prior owners; (ii) the possibility that the Company may pay more than the acquired company or assets are worth; (iii) the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets; (iv) an inability to successfully integrate any operation the Company acquired or acquires, as applicable; (v) an inability to recruit, hire, train or retain qualified personnel to manage and operate the operations acquired; (vi) the potential disruption of the ongoing business and the distraction of management from its day-to-day operations; and (vii) the loss of key employees and/or key relationships at the acquired business. In addition, the Company competes with other RNG companies as well as traditional energy companies, which may have greater financial and other resources for new business. Future acquisition candidates may have liabilities or adverse operating issues that the Company failed or fails to discover through due diligence prior to the acquisition. If the Company consummates any future acquisitions with unanticipated liabilities or adverse operating issues, or if acquisition-related expectations are not met, the Company's business, results of operations, cash flows, financial condition or prospects may be materially adversely affected. The potential impairment or complete write-off of goodwill and other intangible assets related to any such acquisition may reduce the Company's overall earnings and could negatively affect the Company's balance sheet.

Dependence on a Limited Number of Customers for a Majority of Revenues

The Company leverages its relationships to identify and execute new project opportunities. Typically, new development opportunities come from existing relationships. Accordingly, to date, a small number of customers have accounted for a majority of the Company's revenues. As the Company's business expands, it expects that revenue distribution will be over a larger number of different customers.

The Company has long-term compostable waste disposal agreements with a limited number of municipalities. Furthermore, each municipality is the sole source of residential compost disposal for the geographic area in which the municipality is situate. There are no assurances that the contracts the Company has entered into with various municipalities will be renewed or that there will be no interruption in performance or service in existing contracts. The loss of existing customers or the inability to obtain new contracts could adversely affect the Company's business. If the Company is unable to maintain its existing customer contracts or obtain additional customer contracts or service agreements to replace lost customer revenue, its business, results of operations, cash flows and financial condition will be adversely affected. Additionally, there may be a limited number of alternative sources of organic waste from which the Company can source its supply or generate revenues in the event that an issue arises, or default or non-renewal occurs with one or more of its existing contracts. There is no assurance that existing or future contracts will be continued or maintained in good standing by the respective parties thereto. If any such issue were to occur, it could prevent the Company from producing RNG, or result in the supplying of feedstock to other RNG producers and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The success of the Company's business also depends on its ability to develop and secure favourable offtake agreements to sell RNG generated from its projects. The Company's current focus is to become the dominant supplier of RNG in the form of purified biomethane to FortisBC, the local gas utility in British Columbia, who offers long term (up to 20 years) fixed price RNG offtake agreements. The Company, through its subsidiaries, has entered into offtake agreements with FortisBC for the FVB Project and the GrowTEC Project, however there is no assurance that the Company will be successful in maintaining such agreements in good standing or, in the case of the agreement with FVB, extending the FVB Project offtake agreement. The interim FortisBC agreement with FVB also contains various obligations, including, but not limited to, minimum or base daily and monthly delivery requirements and in the event of a default, a termination payment is payable by FVB in an amount equal to the net present value of the remaining term of the contract and the depreciated costs to construct any of the FortisBC interconnection facilities that will be stranded. The FortisBC agreement with GrowTEC also contains various obligations, including, but not limited to, minimum or base daily and annual delivery requirements and in the event of a default, a termination payment is payable by GrowTEC in an amount equal to the net present value of the remaining term of the contract. The foregoing termination payments may be significant and if payable will have a material adverse effect on the Company. The Irving Oil agreement with GrowTEC also contains various obligations, including, but not limited to, minimum or base daily and annual delivery requirements and in the event of a default, a termination payment is payable by GrowTEC in an amount equal to 150% of the undelivered quantity for a 180-day period.

In the event the FortisBC or Irving Oil agreements cannot be maintained or are terminated, there may be very limited opportunity for the Company or its subsidiaries to secure other long-term contracts at a similar competitive base rate and there is no assurance that it will be successful in securing other sales opportunities that are or become available, and any such failure would be expected to have a material adverse impact on the Company's business, financial condition, results of operations, cash flows and prospects.

The Company is Primarily Dependent on Two Current Projects for Operating Revenue

The majority of the Company's operating revenues are currently provided from the PCR Project and the FVB Project. Although the Company's strategy is to establish a renewable gas infrastructure platform by acquiring, developing, building, owning and operating a portfolio of RNG waste to energy, and related sustainable infrastructure projects in British Columbia, there is no assurance that the Company will be successful in achieving these objectives which are subject to the numerous other risk factors disclosed in this section. The development of an RNG platform will depend on the Company being able to successfully build out RNG infrastructure at the existing PCR Project in order to convert soil products to biogas and then upgrade the biogas to RNG and by acquiring additional existing development or operational projects to supplement and build its project portfolio. However, there is no assurance that the Company will meet these objectives which would have a material adverse effect on its business strategy and objectives, financial condition, results of operations, cash flows and prospects.

The Company's Operations involve the Handling of Hazardous Materials.

Biogas produced by AD is composed of combustible gases which are unstable, flammable and corrosive. Conditions impacting biogas recovery are site-specific. Operational risks include fire, explosion and subsurface gas migration which can result in contact with groundwater. The costs of any of these incidents could have a material adverse effect on the Company's business, financial condition, results of operations, legal liability, cash flows or prospects.

Growth may place Significant Demands on the Company's Management and Infrastructure

The Company's growth has placed and may continue to place significant demands on its management and operational and financial infrastructure. The expansion of the Company's infrastructure will require it to commit financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. Continued growth could also strain the Company's ability to maintain reliable service levels for its customers, develop and improve its operational, financial and management controls, enhance its reporting systems and procedures and recruit, train and retain highly skilled personnel. Managing the Company's growth will require expenditures and the allocation of valuable management resources. Failure to effectively manage growth could result in difficulty or delays in serving clients, declines in quality or client satisfaction, increases in costs, difficulties in introducing new features or other operational difficulties, and any of these difficulties could adversely impact the Company's business performance and results of operations.

The Company depends on highly skilled personnel to operate its business and if the Company is unable to retain its current, or hire additional, personnel, its ability to develop and successfully market its business could be harmed.

The loss of any member of the Company's management team could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. The expansion of the Company's operations may require the Company to find, hire and retain additional capable employees. If the Company does not attract and retain such personnel, it could have a material adverse effect on the Company's business and operating results. While the Company has entered into employment agreements and/or confidentiality and non-competition agreements with some of its key employees, the Company could be significantly adversely impacted if any of its key employees become unable or unwilling to continue their employment. The loss of key employees to a competitor and an inability to attract and retain experienced key employees could adversely affect the Company's business, financial condition and results of operations. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

The Company's Insurance Coverage May Be Inadequate to Cover Potential Losses

The Company's business is subject to a number of risks and hazards (as further described in this Annual Information Form). The Company subscribes for insurance in amounts which it considers appropriate in the circumstances and having regard to industry norms. The Company may become liable in relation to risks in respect of which we cannot obtain insurance or for which we choose not to obtain insurance as a result of high premiums or for other reasons, or for damages which exceed the maximum coverage provided for in our insurance policies. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of waste contamination, storage or processing may not be available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

While the Company's objective is to purchase insurance coverage appropriate to its risk assessment, the Company is unable to predict with certainty the frequency, nature or magnitude of claims for direct or consequential damages, and as a result its insurance program may not fully cover the Company for losses it may incur. In addition, as a result of a number of catastrophic weather and other events, insurance companies have incurred substantial losses and in many cases, they have substantially reduced the nature and amount of insurance coverage available to the market, have broadened exclusions and/or have substantially increased the cost of such coverage. If this trend continues, we may be unable to maintain insurance of the types and coverage we desire at reasonable rates or at all. A partially or completely uninsured claim against us (including liabilities associated with cleanup or remediation at our facilities), if successful and of sufficient magnitude, could have a material adverse effect on our business, financial condition and results of operations. Any future difficulty in obtaining insurance could also impair our ability to secure future contracts, which may be conditioned upon the availability of adequate insurance coverage. In addition, claims associated with risks for which we are self-insured or may self-insure (workers' compensation, employee medical, comprehensive general liability, director and officer liability and vehicle liability) may exceed our recorded reserves, which could negatively impact future earnings.

Issuance of Debt and Levels of Indebtedness

From time to time, the Company may enter into transactions to acquire assets or shares of other entities. These transactions may be financed in whole, or in part, with debt, which may increase the Company's debt levels above industry standards for RNG companies of similar size. Depending on future development plans, the Company may require additional debt financing that may not be available or, if available, may not be available on favourable terms. The Company's Articles do not limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise. The Company has currently drawn down on $15 million pursuant to the Second Credit Facility (with approximately $16 million currently outstanding), which is secured inter alia general security agreements entered into by each of the Company, PCR, SSS and FVB granting a charge over all personal property assets of the Company, PCR, SSS and FVB, a mortgage of lease from PCR over the leasehold property at the PCR Project and a mortgage of license from SSS over certain portions of the lands at the SSS Project. The Second Credit Facility also contain restrictive covenants and other post-draw down conditions. The Company's failure to comply with those covenants or conditions could result in an event of default, which, if not cured or waived, could result in the acceleration of the Company's debt. The Company's ability to meet its payment obligations will depend on the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and certain financial, business, regulatory and other factors beyond its control. The Company may be unable to generate or maintain a level of sufficient cash flows to satisfy its debt obligations or to refinance its indebtedness on commercially reasonable terms, or at all, which would have a material adverse effect on the Company's financial condition and results of operations.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the financial statements for the financial year end December 31, 2023, the results of which form the basis for making judgments about the carrying value of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Company's operating results to fall below the expectations of investors, resulting in a decline in the share price of the Company.

Future conditions might require us to make substantial write-downs in our assets, which have adversely affected or would adversely affect our balance sheet and results of operations.

The Company reviews our long-lived tangible and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The Company also tests its goodwill for impairment at least annually as at October 1, or when events or changes in the business environment indicate that the carrying value of a cash generating unit may exceed its fair value. However, if conditions in any of the businesses in which the Company operates were to deteriorate, it could determine that certain of its assets are impaired and the Company would then be required to write off all or a portion of the value of such assets. Any significant write-offs would adversely affect the Company's balance sheet and results of operations.

Certain of the Company's Facilities are Located on Leased Land and Require Maintaining the Existing Lease Agreements

The PCR Project is located on leased lands pursuant to a lease agreement dated April 2, 2012, as assigned and amended by amending agreements dated November 8, 2012, and April 1, 2021. PCR exclusively leases the lands underlying the PCR Project for an initial term of ten (10) years that expired on December 31, 2022, and an option to renew the lease for an additional five (5) years was exercised effective January 1, 2023. Provided that it is not in default of the lease agreement, PCR has the option to renew the lease agreement for two (2) further terms of five (5) years each upon the same terms and conditions as the original lease agreement, other than the base rent, provided that it exercises such option not later than 180 days prior to the expiration of the initial term.

The SSS Project is located on leased lands pursuant to a license agreement dated May 1, 2019. SSS exclusively licences the lands underlying the SSS Project from Lil'wat Capital Assets Limited Partnership for an initial term that expired April 11, 2022. SSS exercised an option to renew the licence agreement for one (1) additional term of five (5) years and has additional options for two (2) further terms of five (5) years, each upon the same terms and conditions as the original licence agreement, other than the base rent, provided that it exercises such option not earlier than 270 days and not later than 180 days prior to the expiration of the initial term.

GrowTEC is located on leased lands pursuant to a lease agreement dated July 13, 2022. GrowTEC exclusively leases the lands for an initial term of ten (10) years that expires on July 13, 2032. Provided that it is not in default of the lease agreement, GrowTEC has the option to renew the lease agreement for two (2) further terms of five (5) years each upon the same terms and conditions as the original lease agreement, other than the base rent, provided that it exercises such option not later than 180 days prior to the expiration of the initial term.

The Company's ability to continue operating its existing projects and its ability to develop RNG infrastructure on the leased lands will depend on its ability to maintain the lease and licence agreements in good standing and remain in compliance with terms, conditions and covenants contained therein, including compliance with procedures for the renewals thereof. Any failure to maintain the lease and licence agreements in good standing could have a material adverse effect on the PCR Project, the SSS Project and the Company's business.

Cyberattacks May Cause Disruptions to the Company's Operations and Could Have a Material Effect on its Business.

The Company is dependent on various information technologies to carry out multiple business activities such as, and not limited to, processing, transmitting, and storing electronic information and data used for the safe operation of its assets. Our business requires the appropriate and secure utilization of sensitive, confidential or personal data or information belonging to our employees, customers and partners. Increased global cybersecurity vulnerabilities, threats and more sophisticated and targeted cyber-related attacks pose a risk to the security of the Company's and its customers', partners', suppliers' and third-party service providers' IT Systems and the confidentiality, availability and integrity of the Company's and its customers' and partners' data or information. A successful cyber intrusion, such as, and not limited to, unauthorized access, malicious software or other violations on the system that control generation and transmission at any of the Company's offices or facilities could severely disrupt or otherwise affect business operations or diminish competitive advantages. These attacks on the Company's information base systems through theft, alteration or destruction could lead to litigation, fines, other remedial action, heightened regulatory scrutiny and damage to its reputation. A breach of the Company's cyber/data security measures could have a material adverse effect on the Company's business, operations, financial condition and operating results.

The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation, results of operations, cash flows and financial condition.

Although to date the Company has not experienced any material losses relating to cyberattacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Any of these factors could have a material adverse effect on the Company's results of operations, cash flows and financial position.

The Company May Be Subject to Costly Legal Proceedings

The Company may be subject to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Global Events Beyond our Control, Including Without Limitation the Economic and Market Conditions, may Adversely Affect our Operations, our Suppliers and our Customers.

Financial and securities markets are influenced by the economic and market conditions, such as the developments in the global financial markets. An economic downturn or volatility could have a material adverse effect on the Company's business, financial condition and results of operations. A weakening of economic conditions could lead to reductions in demand for RNG, waste to energy, and related infrastructure projects.

Global Financial Conditions can Reduce the Price of the Common Shares

Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises. Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability, natural disasters, pandemics, epidemics, or similar public health emergencies and other unforeseen events beyond the control of the Company and which may alter market behaviour. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, the Company's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Company's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Directors and Officers May Have Conflicts of Interest with the Company

Certain directors and officers of the Company are or may become associated with other RNG companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

It May be Difficult to Enforce Judgments and Effect Service of Process on a Certain Director

A director of the Company resides outside of Canada, therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable

Canadian securities laws against such person. Moreover, it may not be possible for investors to effect service of process within Canada upon such person.

FORWARD-LOOKING STATEMENTS AND INFORMATION MAY PROVE INACCURATE

Shareholders and prospective investors are cautioned not to place undue reliance on the Company's forward-looking statements and information. By its nature, forward-looking statements and information involve numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties related to forward-looking statements and information are found under the heading "Forward-Looking Statements" in this AIF.

DESCRIPTION OF CAPITAL STRUCTURE

The following is a summary of the material attributes and characteristics of the securities of EverGen. The Company's authorized share capital consists of an unlimited number of Common Shares without par value, and an unlimited number of preferred shares without par value ("**Preferred Shares**").

<u>Common Shares</u>

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital, and after the holders of the Preferred Shares have received payment of the amounts to which they are entitled, the holders of the Common Shares will be entitled to receive equally on a per share basis, the amount paid up on the Common Shares together with any declared but unpaid dividends. Thereafter, the holders of the Common Shares will be entitled to share among themselves equally on a per share basis in any further distribution of the property or assets of the Company. The holders of Common Shares are entitled to receive dividends as and when declared by the Board in their absolute discretion in respect of the Common Shares. The Common Shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Any alteration of the rights, privileges, restrictions and conditions attaching to the Common Shares under the Company's Articles must be approved by at least two-thirds of the Common Shares voted at a meeting of the Company's shareholders.

<u>Preferred Shares</u>

The holders of the Preferred shares shall have no right to receive notice of or to be present at or vote either in person or proxy, at any general meeting of the Company by virtue of or in respect of their holding of Preferred Shares. There currently are no Preferred Shares issued and outstanding. The holders of Preferred Shares shall be eligible to receive dividends at the sole discretion of the Board. The Preferred Shares are also redeemable at the option of the Company.

Warrants

As at December 31, 2023, the Company had no warrants outstanding.

Equity Incentive Plan Details

EverGen's Equity Compensation plan has been filed on SEDAR+ and is available for review at Associated Documents (www.sedarplus.ca). Pursuant to the Equity Compensation Plan, EverGen has the ability to issue the following equity based compensation awards: (i) Options; (ii) RSUs and (iii) DSUs. A total of 600,000 PSUs have previously been granted under the PSU Plan on December 31, 2020. While the number of PSUs outstanding will count towards the maximum number of Common Shares reserved under the Equity Incentive Plan, no additional PSUs can be granted under the Equity Incentive Plan or the PSU Plan. As at December 31, 2023 430,000 PSUs remained outstanding.

The purpose of the Equity Incentive Plan is to advance the interests of the Company by providing an incentive to the directors, officers, employees and consultants ("Participants") of the Company, and any of its subsidiaries (including the Acquired Businesses) and affiliates, if any, to align growth objectives of the Company and Participants, to associate a portion of the Participants' compensation with the Company's long term performance and to attract to and retain in the employment of the Company or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company through the acquisition of Common Shares. A Participant under the Equity Incentive Plan or PSU Plan cannot include a person providing Investor Relations Activities to the Company.

MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

The Common Shares of the Company are currently listed for trading on the TSXV under the symbol "EVGN" and on the OTCQX under the symbol "EVGIF".

The following table sets the high, low and closing trading prices and the volume of Common Shares traded on the TSXV for the most recently completed financial year:

Month	High	Low	Closing	Volume
2023				
January	**$2.76**	**$2.10**	**$2.70**	**461,477**
February	**$3.65**	**$2.78**	**$3.25**	**504,100**
March	**$3.60**	**$3.08**	**$3.45**	**168,200**
April	**$3.57**	**$3.00**	**$3.15**	**79,500**
May	**$3.22**	**$2.91**	**$2.93**	**130,300**
June	**$3.05**	**$2.64**	**$3.00**	**184,000**
July	**$3.00**	**$2.75**	**$2.85**	**208,200**
August	**$2.87**	**$2.50**	**$2.87**	**148,404**

Month	High	Low	Closing	Volume
September	**$2.94**	**$2.50**	**$2.52**	**88,900**
October	**$2.75**	**$2.11**	**$2.25**	**162,100**
November	**$2.36**	**$2.06**	**$2.17**	**208,350**
December	**$2.65**	**$1.95**	**$2.50**	**263,000**

PRIOR SALES

The following table summarizes the issuances of Common Shares and securities that are convertible or exchangeable into Common Shares during the most recently completed financial year:

Issue Date	Type of Security	Number Issued	Issue Price	Exercise Price	Description of Issuance
April 28, 2023	RSUs	2,000[(1)]	N/A	N/A	Issued pursuant to the Equity Incentive Plan
June 23, 2023	RSUs	97,776	N/A	N/A	Issued pursuant to the Equity Incentive Plan
June 23, 2023	Options	263,571	3.01	N/A	Issued pursuant to the Equity Incentive Plan
November 30, 2023	RSUs	6,545	N/A	N/A	Issued pursuant to the Equity Incentive Plan

Notes:

(1) 1,000 of the 2,000 RSUs issued were cancelled unvested on September 22, 2023.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this Annual Information Form, the Company has no securities that are subject to contractual or escrow restrictions on transfer.

DIVIDENDS

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on the Common Shares, and does not currently have a policy with respect to the payment of dividends or other distributions. The Company intends to retain any future earnings to fund the development and growth of its business and does not currently pay dividends and is not likely to pay dividends for an extended period of time. The declaration and payment of any dividends in the future will be at the discretion of the Board and will depend on a number of factors, including compliance with applicable laws, financial performance, financial conditions, current and anticipated working capital requirements of the Company and the Acquired Businesses, contractual restrictions, financing agreement covenants, solvency tests imposed by applicable corporate law and such other factors as its directors consider appropriate. There can be no assurance that the Company will pay dividends under any circumstances.

DIRECTORS AND OFFICERS

To the Company's knowledge as at the date of this Annual Information Form, its directors and executive officers as a group (excluding the purchase of any Offered Units by any directors and executive officers under the Offering) beneficially own, or control or direct, directly or indirectly, 1,213,704 Common Shares, representing approximately 8.71% of the outstanding Common Shares on a non-diluted basis.

Director and Executive Officer Profiles

The following table sets forth the name of each director and executive officer of the Company as at the date of this Annual Information Form, their province or state and country of residence, their position(s) and office(s) held with the Company, their principal occupation(s) during the preceding five years, the date they became a director of the Company, if applicable, and the number and percentage of Common Shares they beneficially own, or control or direct, directly or indirectly. Each director's term will expire immediately prior to the next annual meeting of shareholders of the Company.

Name and Residence	Position	Principal Occupation(s) During Past Five Years	Director Since	Number and Percentage of Common Shares Held(8)
Mischa Zajtmann(3) British Columbia, Canada	Interim CEO, President & Director	Interim CEO & Director of the Company since September, 2023; President of EverGen since December 2020; Partner at Kepis & Pobe Financial Group Inc. since January 2018; formerly Director of Klimat X Developments Inc. from January 2021 to March 2023.	September 22, 2023(4)	**498,922** **(3.58%)**
Ford Nicholson (1)(3)(5) British Columbia, Canada	Executive Chair	President of Kepis & Pobe Financial Group Inc. since February 2003; director of MCC Mining Corporation since 2017; director of Satisfai Health, Inc. since 2000; formerly Chairman of Kolibri Global Energy Inc. (formerly, BNK Petroleum Inc.) until December 2020 (a Toronto Stock Exchange listed company).	May 13, 2020	**557,001** **(4.00%)**
Mary Hemmingsen(1)(2) British Columbia, Canada	Director	Board Member since October 2022 of Itron, listed on the NASDAQ, board trustee, and audit committee, member of Graham Construction (Income Trust) since October 2020; Director of a number of privately held companies, including The Crossing Group (since May 2020), Spoke Energy Resources(since April 2021) as Chair and Audit Committee Chair); and formerly Director and audit committee member of two previously Toronto Stock Exchange listed companies, including Stuart Olson Inc (from November 2018 to October 2020) until it was sold to another listed company and Bonavista Energy Corporation (from August 2019 to July 2020) until it	December 16, 2020	**80,000** **(0.57%)**

Name and Residence	Position	Principal Occupation(s) During Past Five Years	Director Since	Number and Percentage of Common Shares Held[8]
		was taken private. Also, a founding member of Extraordinary Women on Boards, a global invite only group of accomplished board directors.		
Djenane Cameron[1][2][6][7] Ontario, Canada	Director	Chief Investment Officer at Reddick Wellington Investments Inc. since October 2019; and formerly Head of Mergers and Acquisitions at Lynx Equity Limited from January 2009 to September 2019.	January 21, 2021	**20,000** **(0.14%)**
Jon Ozturgut [2] [3] Washington, United States	Director	Managing Principal at ONS Superior Energy Outcomes since 2016.	March 18, 2021	**8,667** **(0.06%)**
Sean Hennessy British Columbia, Canada	CFO	CFO at EverGen since October 2022; formerly VP, Finance & Controller at EverGen from March 2022 to October 2022; formerly Director, Financial Reporting at Loop Energy Inc. from May 2021 to March 2022; formerly Director, Corporate Reporting at Teekay Corporation from June 2018 to November 2020.	N/A	**30,239** **(0.22%)**
James Betts British Columbia, Canada	COO	COO of EverGen since September 2023; formerly VP, Operations at EverGen from February 2022 to September 2023; formerly VP, Engineering at Miller Waste Systems Inc. from April 2022 to May 2022; and formerly Project Director at Husky Energy from August 2011 to January 2020.	N/A	**18,875** **(0.14%)**

Notes:

(1) Member of the Audit Committee.
(2) Member of the Nomination, Governance, Human Resources and Compensation Committee.
(3) Member of the Safety and Sustainability Committee.
(4) Mr. Zajtmann served as a Board member from May 13, 2020, to March 18, 2021, when Mr. Zajtmann resigned as a director of the Company. Mr. Zajtmann was re-appointed to the Board on September 22, 2023.
(5) Includes 500,001 Common Shares owned by Kepis & Pobe Investments Inc., a company controlled by Mr. Nicholson, and 57,000 Common Share owned directly by Mr. Nicholson.
(6) Mrs. Cameron was nominated by Reddick Wellington, pursuant to a side letter agreement dated December 22, 2020 between Reddick Wellington and the Company, whereby Reddick Wellington has a right to, among other things, nominate one member of the Board to be included in each slate of directors to be presented to the Shareholders of the Company at each annual general meeting where directors are to be elected, for so long as Reddick Wellington holds at least 5% of the issued and outstanding Common Shares of the Company.
(7) Common Shares owned by Djumbo Investments Corp.; a company controlled by Mrs. Cameron.
(8) Based on 13,929,796 issued and outstanding Common Shares.

Committees of the Board

The Board has established the Audit Committee, the Nomination, Governance Human Resources and Compensation Committee, and the Safety and Sustainability Committee.

Audit Committee

The Audit Committee is composed of Mary Hemmingsen (chair), Djenane Cameron and Ford Nicholson, a majority of whom are independent directors and all of whom are financially literate, in each case within the meaning of NI 52-110. Mr. Nicholson is the Executive Chair of the Board and as such, is not independent.

Nomination, Governance, Human Resources and Compensation Committee

The Board has established the Nomination, Governance, Human Resources and Compensation Committee, comprised of Djenane Cameron (chair), Mary Hemmingsen and Jon Ozturgut, all of whom are independent directors within the meaning of NI 52-110.

Safety and Sustainability Committee

The Board has established the Safety and Sustainability Committee, comprised of Jon Ozturgut (chair), Ford Nicholson and Mischa Zajtmann, one of whom is an independent director within the meaning of NI 52-110. Mr. Nicholson is the Executive Chair of the Board and Mr. Zajtmann is the Company's CEO and President, and as such, are not independent.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Company's directors or executive officers is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (an "**Order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (ii) was subject to an Order 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 the Company's directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company (i) is, as at the date hereof, or has been within the 10 years before the date hereof, 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, or (ii) has, within the 10 years before the date hereof, 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 such director, executive officer or shareholder.

None of the Company's directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company, has been subject to (i) 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 (ii) 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.

Conflicts of Interest

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. See "*Risk Factors – Risks Related to the Company – The Directors and Officers May Have Conflicts of Interest with the Company*".

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA:

- a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer of the Company, must promptly disclose the nature and extent of that conflict; and
- a director who holds a disclosable interest (as such term is defined under the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve such contract or transaction.

Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any Board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As of the date of this AIF, no director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction since the incorporation of the Company which has materially affected or is reasonably expected to materially affect the Company or a subsidiary of the Company.

PROMOTERS

No person has acted as a promotor of EverGen during the last two most recently completed financial years or during the current financial year.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings or regulatory actions to which the Company is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, since its incorporation, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since its incorporation.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The Company's auditor is PricewaterhouseCoopers, Chartered Professional Accountants, having an address at 250 Howe Street, Suite 1400, Vancouver, British Columbia V6C 3S7.

The transfer agent and registrar for the Common Shares is TSX Trust Company, having an office at 650 West Georgia Street, Suite 2700, Vancouver, British Columbia V6B 4N9.

MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts to which the Company or any of the Acquired Businesses are a party entered into prior to or since the date of incorporation of the Company and which still remain in effect and are considered to be material to the Company. Copies of such material contracts will be filed with the Canadian securities regulatory authorities and will be available for review under the Company's profile on SEDAR+ at www.sedarplus.ca.

- Second Credit Facility
- PCR Purchase Agreement
- SSS Purchase Agreement
- FVB Purchase Agreement
- First Credit Facility
- Special Warrant Indenture
- Warrant indenture dated March 18, 2021, between the Company and TSX Trust Company as warrant agent in respect of the Special Warrant Unit Warrants
- Agency Agreement

INTERESTS OF EXPERTS

PricewaterhouseCoopers, the auditor of EverGen, has advised the Company that it is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Certain legal matters will be passed upon on the Company's behalf by Borden Ladner Gervais LLP. To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned partnerships (and their partners and associates) each beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding Common Shares.

ADDITIONAL INFORMATION

Additional information pertaining to the Company, including directors' and officers' remuneration and indebtedness, and options to purchase securities is contained in the Company's Management Information Circular dated October 27, 2023, and is available on SEDAR+ at www.sedarplus.ca. Additional financial information is included in the Company's financial statements and MD&A for the year ended December 31, 2023, as filed with the applicable Canadian regulatory authorities. These documents are available on SEDAR+ at www.sedarplus.ca and may also be obtained without charge by written request to the Company at Suite 390 – 1050 Homer Street, Vancouver, BC, Canada.

APPENDIX "A"

AUDIT COMMITTEE

The Audit Committee provides assistance to the Board in fulfilling its financial oversight responsibilities and in ensuring the integrity of financial reporting and accounting control policies and practices of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee's primary duties and responsibilities include: (i) serving as an independent and objective party to oversee the Company's accounting and financial reporting processes and internal control system including assessing the reasonableness of management accounting judgments and estimates; (ii) reviewing the Company's financial statements; (iii) requesting such information and explanations in regard to the accounts of the Company as the Audit Committee may consider necessary and appropriate to carry out its duties and responsibilities; (iv) overseeing the audit of the Company's financial statements; (v) overseeing, reviewing and appraising the qualifications, independence and the performance of the Company's external auditors; (vi) overseeing the Company's compliance with legal and regulatory requirements as they relate to accounting and financial controls and anti-corruption and bribery issues; (vii) providing an open avenue of communication among the Company's auditors, senior management and the Board; (viii) considering any other matters which, in the opinion of the Audit Committee or at the request of the Board would assist the Company in risk management; and (ix) maintaining the Whistleblower Policy communication channel to the chair of the Audit Committee and whistleblower procedures for the receipt, retention, and treatment of complaints. The full text of the Audit Committee charter is attached to this Annual Information Form as Appendix "A".

Composition of the Audit Committee

The Audit Committee is composed of Mary Hemmingsen (chair), Djenane Cameron and Ford Nicholson, a majority of whom are independent directors and all of whom are financially literate, in each case within the meaning of NI 52-110. Mr. Nicholson is the Executive Chair of the Board and, as such, is not independent.

Relevant Education and Experience

Each of the members of the Audit Committee has extensive education and experience relevant to the performance of their responsibilities as members of the Audit Committee.

EVERGEN INFRASTRUCTURE CORP.
AUDIT COMMITTEE CHARTER

1. Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors (the "**Board**") in fulfilling its financial oversight responsibilities and in ensuring the integrity of financial reporting and accounting control policies and practices. The Committee approves, monitors, evaluates, advises and makes recommendation in accordance with these terms of reference by reviewing the financial reports and other financial information provided by the Senior Management of EverGen Infrastructure Corp. (the "**Company**") to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing (including both internal, if any and external audits), accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

(a) serve as an independent and objective party to oversee the Company's accounting and financial reporting processes and internal control system including assessing the reasonableness of management accounting judgements and estimates;

(b) review the Company's financial statements;

(c) request such information and explanations in regard to the accounts of the Company as the Committee may consider necessary and appropriate to carry out its duties and responsibilities;

(d) oversee the audit of the Company's financial statements;

(e) oversee, review and appraise the qualifications, independence and the performance of the Company's external auditors;

(f) oversee the Company's compliance with legal and regulatory requirements as they relate to accounting and financial controls and anti-corruption and bribery issues;

(g) provide an open avenue of communication among the Company's auditors, senior management and the Board;

(h) consider any other matters which, in the opinion of the Committee or at the request of the Board would assist the Company in risk management; and

(i) maintain the Whistleblower Policy communication channel to the chair of the Audit Committee (the "**Chair**") and whistleblower procedures for the receipt, retention, and treatment of complaints.

For greater clarity, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statement are complete, accurate and in accordance with Generally Accepted Accounting Principles.

2. Composition and Operation

The Committee is appointed by and shall be comprised of three or more directors as determined by the Board. A majority of the members of the Committee shall be independent within the meaning of the provisions of National Instrument 52-110 – Audit Committees, as may be amended or replaced from time to time ("**NI 52-110**"). No member of the Committee is permitted to have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three years.

All members of the Committee shall be, in the determination of the Board, "financially literate", as that term is defined by NI 52-110. Each member of the Committee shall be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement.

The Committee members shall be appointed by the Board annually and the Board may at any time remove or replace any member of the Committee and may fill any vacancy with another Board member, as required.

The Board shall appoint the Chair from among the Committee members, preferably possessing a recognized professional accounting designation. If the Chair is not present at any meeting of the Committee, one of the other Committee members present at the meeting shall be chosen by the Committee to preside as the chairperson at the meeting.

Attendance by invitation at all of or a portion of Committee meetings is determined by the CEO or the Chair and would normally include the CEO and CFO of Company, representatives of the external auditors and such other officers or support staff as may be deemed appropriate.

The Committee shall meet at least quarterly.

A majority of members shall constitute a quorum for meetings of the Committee, present in person or via telephone or via other telecommunication device that permits all persons participating in the meeting to speak and hear one another.

The Committee shall fix its own procedures for meetings, keep records of its proceedings, and report to the Board routinely. These procedures will include delivery of notices, agendas, minutes and supporting materials to the Committee members at least (5) days prior to the meeting except in unusual circumstances.

The Committee may engage independent counsel and other advisors as may be deemed or considered necessary and determine the fees of such counsel and advisors.

The Committee shall hold regular in-camera sessions at each meeting, during which the members of the Committee shall meet in the absence of management.

The Committee may act by unanimous written consent of its members. A resolution approved in writing by the members of the Committee shall be valid and effective as if it had been passed at a duly called meeting.

No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present, or by a unanimous written consent.

Members shall be provided with a minimum of 48 hours' notice of meetings. The notice period may be waived by all members of the Committee.

3. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

(a) *Documents/Reports Review*

(i) Review this Charter annually, and recommend to the Board any necessary amendments;

(ii) Review and recommend to the Board for approval the audited annual financial statements, with the report of the external auditor, and corresponding management's discussion and analysis prior to public dissemination and filing with securities regulatory authorities;

(iii) Review and approve, or recommend to the Board for approval, the quarterly financial statements of the Company and corresponding management's discussion and analysis prior to public dissemination and filing with securities regulatory authorities;

(iv) Review any other financial disclosure documents that contain material financial information about the Company requiring approval by the Board prior to public dissemination and/or filing with any governmental and/or regulatory authority, including, but not limited to press releases, annual reports, annual information forms, and prospectuses, offering memorandum, or registration statements;

(v) Review the Company's disclosure in the Management Information Circular and proxy materials including the Committee's composition and responsibilities and how they are discharged; and

(vi) Review and recommend any changes to the Company's Disclosure Policy.

(b) *External Auditors*

"External auditor" as used here shall mean any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such external auditor shall report directly to the Committee. With respect to the external auditor, the Committee shall:

(i) Review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;

(ii) Review annually management's recommendations for the appointment or reappointment of the external auditor, the terms of the external auditors engagement, the appropriateness and reasonableness of the proposed audit fees and any unpaid fees;

(iii) Recommend to the Board the appointment, retention and replacement of the external auditors nominated annually for shareholder approval;

(iv) Where there is to be a change in the external auditor, review all issues related to the change, the planned steps for an orderly transition and present the Audit Committee's recommendation to the Board for approval;

(v) Review with management and the external auditors the audit plan for the year-end financial statements and execute the annual engagement letter with the external auditor and ensure there is a clear understanding between the Board, the Committee, the external auditor and management that the external auditor reported to shareholders and Board through the Committee. The terms of the annual audit plan should include, but not be limited to, the following:

- staffing
- objective and scope of the external audit work
- materiality limits
- audit and review reports required,
- areas of audit risk

- timetable and proposed fees;

(vi) Make recommendations to the Board with respect to the compensation of the external auditor, assess whether fees and any other compensation to be paid to the external auditor for audit or non-audit services are appropriate to enable an audit to be conducted and to maintain the independence of the external auditor;

(vii) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto and any non-audit services provided by the Company's external auditors. The pre-approval of non-audit services may be delegated to one or more Committee members so long as any such pre-approval decisions are presented to the full Committee at the next scheduled meeting;

(viii) At least annually, and before the auditors issue their report on the annual financial statements, the Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other applicable requirements including being in good standing. The Committee shall take appropriate action to oversee the independence of the auditors and regarding audit partner rotation;

(ix) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;

(x) Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors;

(xi) Oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(xii) Review with the external auditor the results of the annual audit and if applicable interim audits, including but not limited to the following:

- any difficulties encountered, or restrictions imposed by management, during the annual audit;
- any significant accounting or financial reporting issue;
- the auditor's evaluation of Company's internal controls over financial reporting and management evaluation thereon, including internal control deficiencies identified by the auditor contained in the management letter that have not been previously reported to the Audit Committee;
- the auditor's evaluation of the selection and application of accounting principles and estimates and the presentation of disclosures;
- the post-audit or management letter or other material written communication contain any finding or recommendation of the external auditor including management response thereto and the subsequent follow up to any identified internal accounting control weaknesses; and

- any other matters which the external auditor should bring to the attention of the Committee;

(xiii) At each year-end audit meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

(xiv) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company; and

(xv) Review with management and the external auditor any correspondence with securities regulators or other regulatory or government agencies which raise material issues regarding the Company's financial reporting or accounting policies.

(c) *Financial Reporting Processes*

(i) In consultation with the external auditors, review with management the integrity (quality and acceptability) of the Company's financial reporting process, both internal and external; Such integrity assessment should encompass judgements about the appropriateness, aggressiveness or conservatism of estimates and elective accounting principles or methods and judgements about the clarity of disclosures;

(ii) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

(iii) Review any new or pending developments in accounting and reporting standards that may affect the Company, consider the appropriateness of accounting policies and financial reporting practices including alternative treatments that are available for consideration and proposed changes and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;

(iv) Review key estimates and significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;

(v) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(vi) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements. Where there are significant unsettled issues, the Committee shall ensure that there is an agreed course of action for the resolution of such matters;

(vii) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;

(viii) Review certification process;

(ix) Establish "whistleblower" procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the

Company of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair of the Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion. Such procedures shall be reviewed annually by the Committee and any suggested changes shall be submitted to the Board for its approval;

(x) Review any related party transactions;

(xi) Review with management on at least an annual basis, any material obligations that have been entered into including any off-balance sheet transactions, any litigation, claim or other contingency including tax assessments that could have a material effect upon the financial position or operating results or any compliance requirements and the manner in which they should be disclosed; and

(xii) Review appointment of the Chief Financial Officer and any key financial officers involved in the financial reporting process.

(d) *Internal Controls and Internal Audit*

(i) Review on a periodic basis the need for an internal audit function and assess the control systems in place that mitigate the need for an internal audit function;

(ii) Obtain reasonable assurance, by discussions with and reports from management and the external auditor that the accounting systems are reliable, the system and security for preparation of financial data reported is adequate and effective and that the system of internal controls over financial reporting is effectively designed and implemented;

(iii) Discuss and review with management, the policies and procedures designed to prevent, identify and detect fraud;

(iv) Receive reports from management on all significant internal control deficiencies and material weaknesses related to financial reporting as identified by management;

(v) Assess cybersecurity and address weaknesses and exposures; and

(vi) Review annually the approval policies and practices concerning the expenses of the Board.

(e) *Ethical and Legal Compliance and Risk Management*

(i) Review the integrity of the CEO and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;

(ii) Review the adequacy, appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to insurance, accounting, information services and systems, financial controls and management reporting;

(iii) In conjunction with any other committee designated by the Board from time to time, review major financial, audit and accounting related risks and the policies, guidelines and mechanisms that management has put in place to govern the process of monitoring, controlling and reporting such risks;

(iv) Review and determine the disposition of any complaints received from any regulatory body; and

(v) Annually review with management, adequacy of insurance coverage including renewal, reasons for change or proposed change in insurance brokers, a list of significant business risks to the Company that are not or cannot be insured, such list will include a description of the risk, together with procedures or policies in place to manage the risk.

(f) *Anti-Bribery and Anti-Corruption*

(i) Review the principal anti-bribery and anti-corruption risks in the Company's business activities and provide oversight of appropriate systems to manage such risk as applicable to the Company;

(ii) Review and monitor the anti- bribery and anti-corruption policies and activities of the Company on behalf of the Board to ensure compliance with applicable laws, legislation and policies as they relate to anti- corruption and anti-bribery issues; and

(iii) In the event of the occurrence of a corruption or bribery incident, receive and review, without delay, a report from management detailing the nature of the incident. Such report is to be made to the Committee in its entirety, and the Committee will immediately inform the Board at large, which will review the incident and to determine the Company's disclosure obligations if any.

4. Authority

The Committee:

(a) Has the authority to communicate directly with officers and employees of the Company, its auditors, legal counsel and to such information respecting the Company as it considers necessary or advisable in order to perform its duties and responsibilities. This extends to the requiring the external auditor to report directly to the Committee;

(b) Has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set the compensation for such advisors; and

(c) Shall be provided appropriate funding from the Company, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit review or attest services for the Company, to any advisors employed by the Committee, and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall also have such other powers and duties as delegated to it by the Board.

5. Accountability

The Committee Chair has the responsibility to report to the Board, as requested, on accounting and financial matters relative to the Company.

The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.