



GREEN BONDS

INVESTING IN A CLEANER FUTURE

RE ROYALTIES LTD.

TSXV:RE

Offering Memorandum

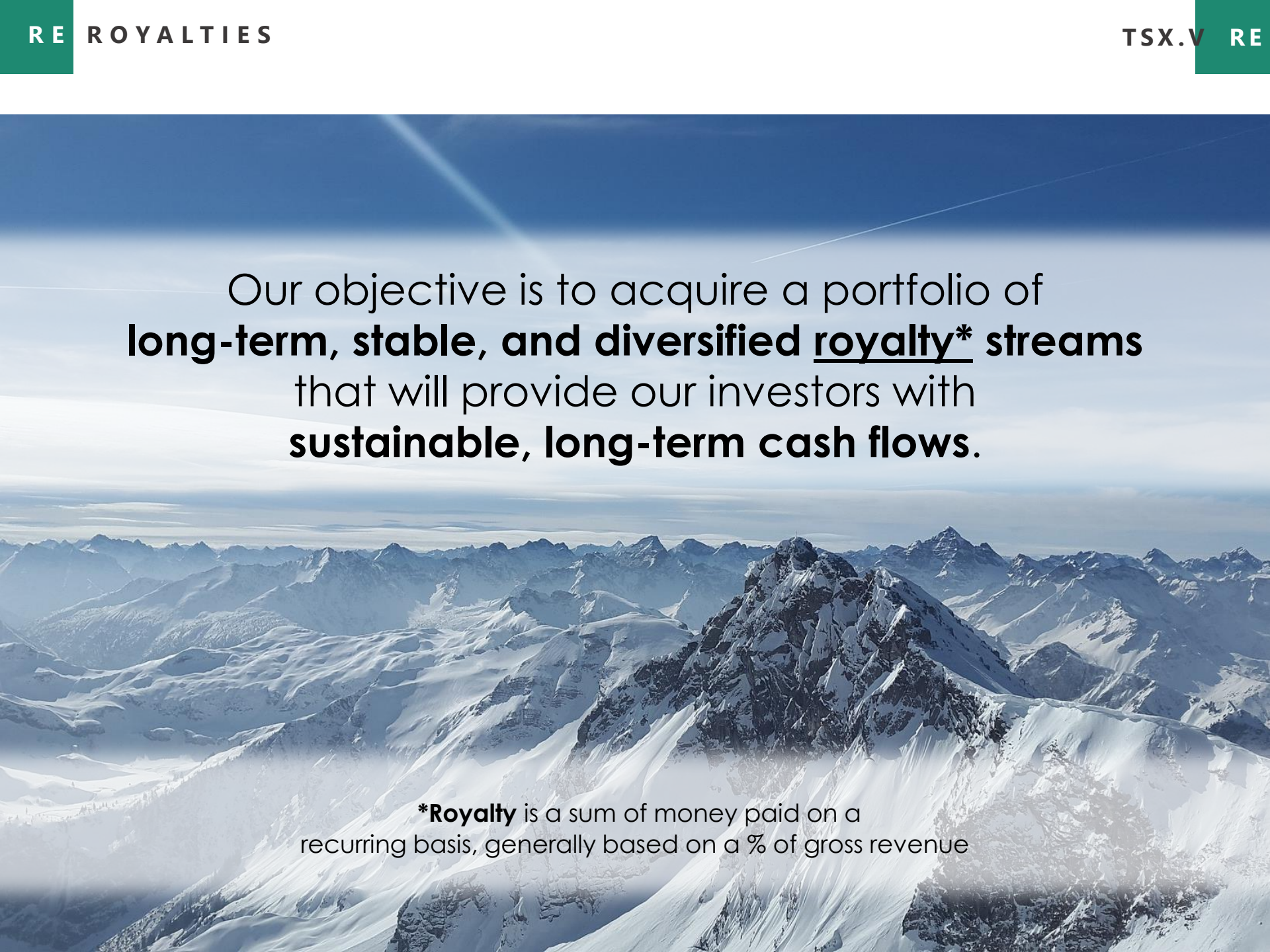
Q1 2021

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Our objective is to acquire a portfolio of **long-term, stable, and diversified royalty* streams** that will provide our investors with **sustainable, long-term cash flows.**

***Royalty** is a sum of money paid on a recurring basis, generally based on a % of gross revenue



Who We Are

We are a leading specialty financing company focused on the renewable energy industry, investing in late-stage development and operating projects to generate a recurring revenue stream.

- Established in 2016 and listed on the TSXV in 2018
- \$34 million raised & invested in 88 royalties to date
- Investments include solar, wind and run-of-river projects operating across Canada, US and Europe
- Annual impact of projects invested in:
 - 1,295,000 MWh in clean energy generated
 - 631,000 tonnes of Greenhouse Gases ("GHG") avoided

Equivalents to annual GHG avoided

141,998



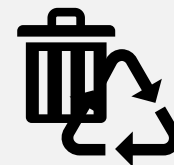
Homes
powered

136,285



Cars removed

194,650



Tonnes of
waste recycled

10,430,736



Trees planted

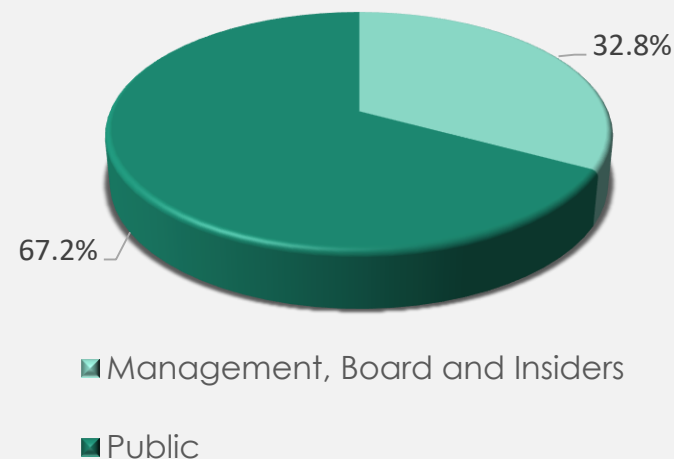
Capitalization and Financial Snapshot

Capital Structure	Amount
Current Share Price	\$1.53 ¹
Market Capitalization (mm)	\$51.85
Common Shares O/S (mm)	33.89
Warrants (@\$1.33, \$1.44, \$1.48) (mm)	0.43
Options (@\$0.82) (mm)	1.15
Convert Debt (@\$1.00) (mm)	1.64
Fully Diluted (mm)	37.11

Balance Sheet	(CAD, M) ²
Cash	\$2.0
Net Working Capital	\$10.4
Convertible Debt (convert @\$1.00)	\$1.64
Secured Long Term Debt	\$0.4

Financials	(CAD, M) ²
Revenue (Q3, mm)	\$0.94M
Revenues (YTD ³ , mm)	\$2.09
Cash Flow from Ops (YTD ³ , mm)	\$1.35
YoY Revenue Growth	84%
Annualized Dividend/ Share	\$0.04

% Ownership



1. As at December 31, 2020

2. As at September 30, 2020

Key Investment Highlights

- **Strong and secured return while climate proofing your portfolio**
 - Green bond offering at 6% for 5 years
 - Senior secured to protect your investment
 - \$9.8M raised to date
- **Growing concern for the environment is driving investment**
 - Global green bond market grew to \$254.9B in 2019¹
- **Experienced and recognized management and board**
 - Management has 75+ years in finance and renewable energy
 - More than \$1.34B of projects delivered and invested
- **Compounded annual revenue growth of 141% since 2016**
- **Benefits from a first mover advantage**
- **NO existing secured debt**
- **Energy generation is an essential service**
 - Minimal Impact of COVID-19 on operations



Young Leadership Award



1. Investment Industry Association of Canada.



Size of Bond Offering:	Up to \$10 million
Price:	\$1,000 per Secured Green Bond
Term of Bond:	5 Years
Interest Rate:	6%
Interest Payment:	Quarterly
Minimum Size:	\$5,000
Registered Eligibility:	Yes
Security:	Bond Indenture ¹
Covenants:	1:1 debt to equity; 2 quarter interest reserve; and 110% interest coverage
Framework:	ICMA Green Bond Principles (2018)
Verification:	Independent Auditor
Bond Trustee:	Western Pacific Trust Co.
Use of Proceeds:	Short term loans to, and the acquisition of royalty streams from, green energy projects
Closing:	Monthly – 4 th Closing ~February 25 th

1. Please refer to the appendix for RE Royalties' detailed security strategies





Market Opportunity

\$289B was invested in Renewable Energy projects in 2018 according to the United Nations, which is expected to rise to \$534B by 2030¹.

There are 5 main forms of renewable energy that we focus on investing in;

Technology	Current % of Global Renewable Capacity ²
Hydroelectric	50%
Wind	24%
Solar PV	20%
Biomass	4%
Geothermal	1%

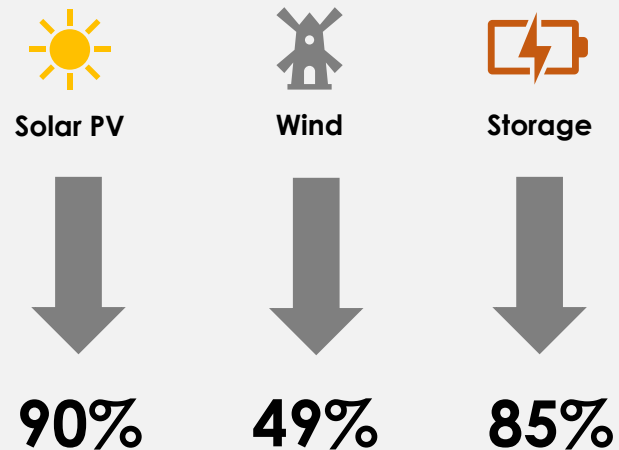
Renewable energy accounted for 26.2% of *global energy production* in 2018, which is expected to rise to 45% by 2030³.

Solar PV is Leading the Growth

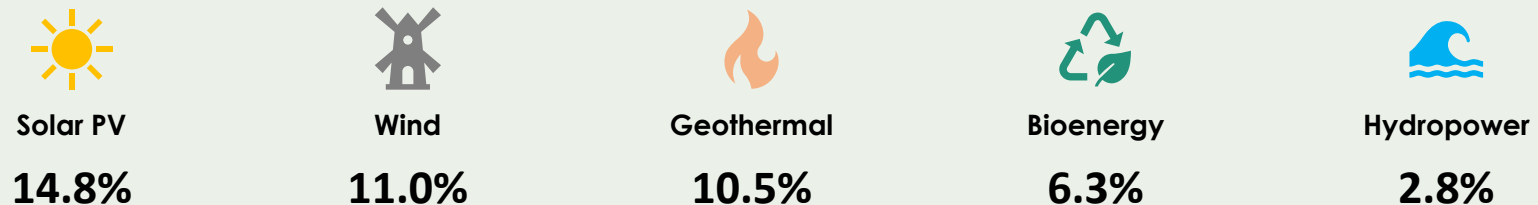
Growth led by solar due to a nearly 90% drop in cost, resulting from reductions in costs and improvements in the efficiencies of the panels¹.

Wind and solar are now the cheapest forms of energy generation across more than two-thirds of the world. By 2030, they undercut coal and gas almost everywhere¹.

Technology Cost - Declines Since 2010¹



Renewable Energy CAGRs, 2019 - 2030



1. Bloomberg New Energy Finance. Scale-Up of Solar and Wind Puts Existing Coal, Gas at Risk. Page 9

Socially Conscious Investing – Setting the Stage



(“SDGs”)



SDGs: In 2015, the United Nations developed 17 SDGs to bring attention to **Responsible Investing (“RI”)**.

RI: The Principles for Responsible Investing (PRI) encourage investors to enhance returns and better manage risks. The PRI consider **Environmental, Social and Governance (“ESG”)** factors of an investment.

ESG: ESG criteria are a set of standards used by **socially conscious investors** to screen potential investments.

Our SDGs





What is a Green Bond?

Launched in 2007¹, Green Bonds finance or re-finance “Green Projects” that provide clear and quantifiable environmental benefits.

- Renewable Energy & Energy Efficiency
- Pollution Prevention and Control
- Clean Transportation

The International Capital Market Association oversees the Green Bond Principles to provide a guideline for labelling a bond “green”.

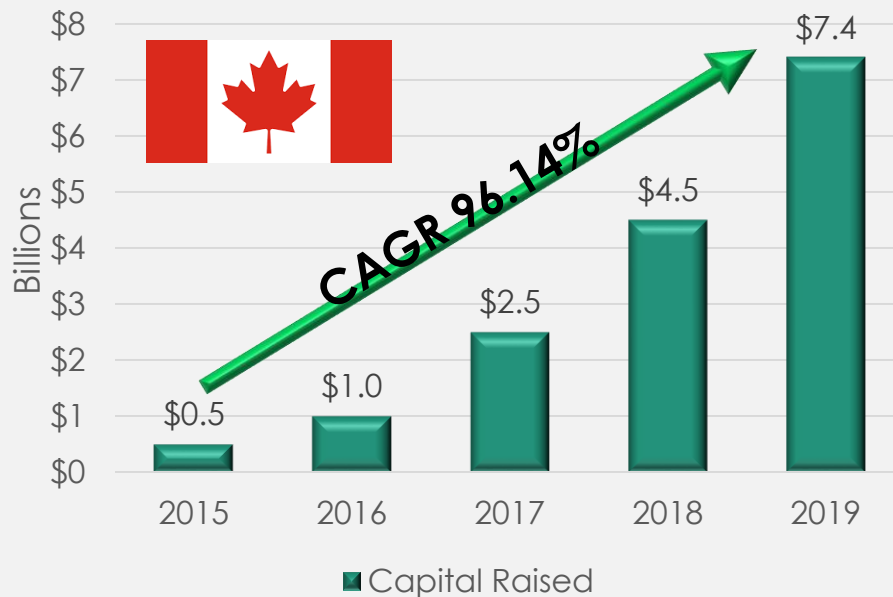
The principles are based on:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting

Green Bond Issuances are Growing

The market for Green Bonds is expanding dramatically as investor sentiment towards environmental issues intensifies.

Canadian Green Bond Issuances In USD^{1,3}



Global Green Bond Issuance in USD^{1,2}



1. DBRS Green with Envy: Canada's Green Bond Market is Growing into a Global Player.
2. Investment Industry Association of Canada (IIAC).
3. BNN Bloomberg - Canada leads in green bond deals as 2019 issuance hits \$9.6B, above past years.

Our Vision & Values

We are creating a cleaner future by investing in renewable and sustainable energy.

We aim to help investors earn a strong return and make a positive impact on the environment.



The projects we invest in are at the forefront of innovation, addressing the Sustainable Development Goals (SDGs) while delivering economic growth.



We believe in doing the right thing for people and the planet.



We are working to accelerate the transition to a more sustainable future.

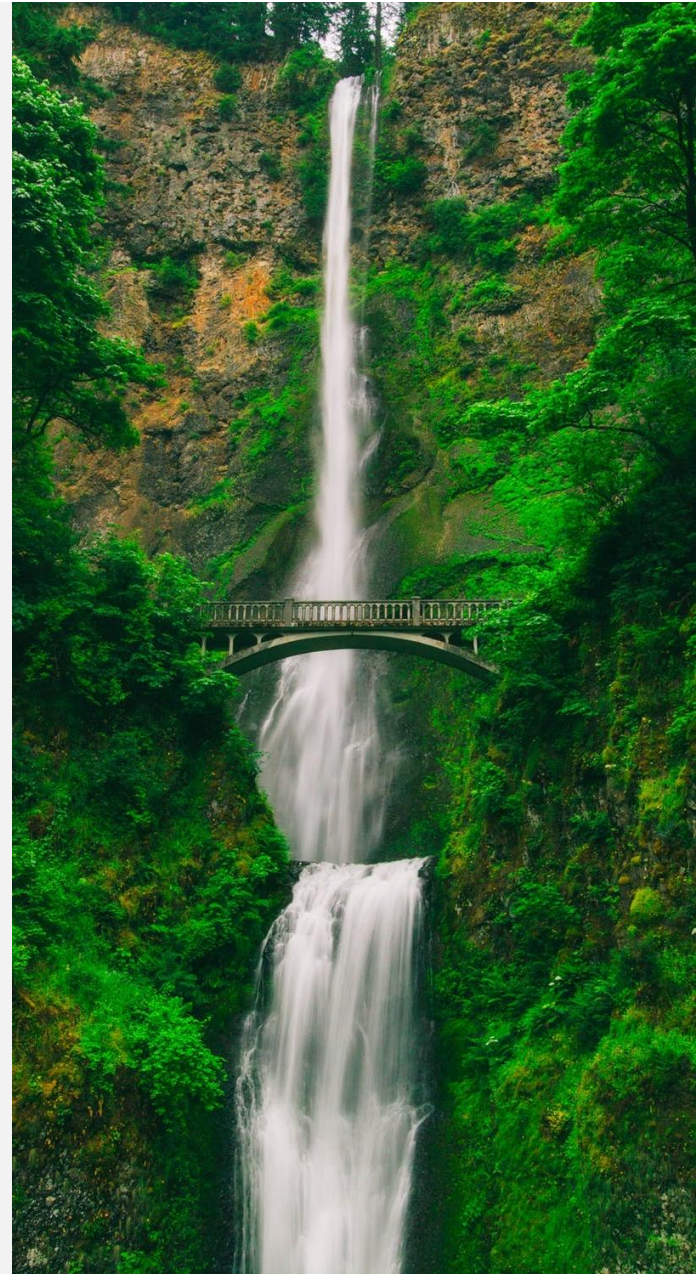
Value Driven Business Model

What we invest in:

- Renewable and sustainable energy projects
- Commercially viable (proven) technologies
- Projects that are cash flowing or near cash flow with long term revenue contracts
- Projects that have a strong ability to offset GHG

Where we invest:

- OECD and EU countries
- Primary focus on North America and Europe



Value Driven Business Model

How we invest:

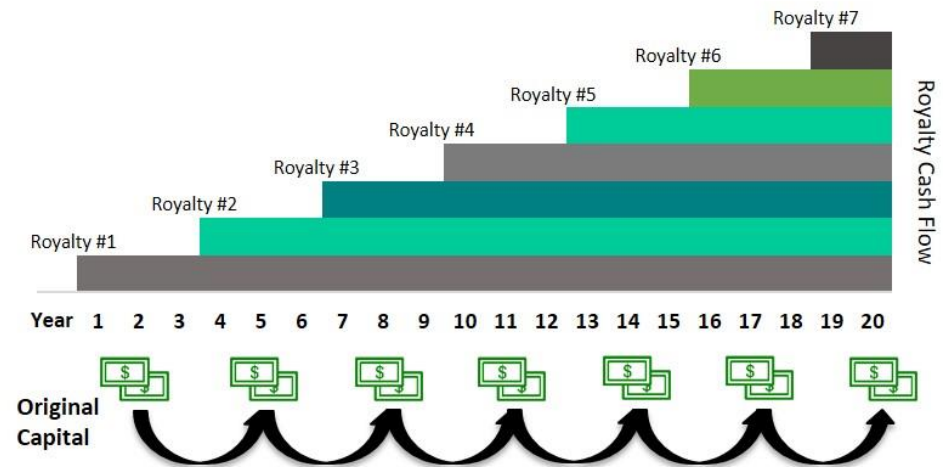
Short-term secured loans
(6 mths to 3yrs)

- 7-10% interest +
- Up to 2% gross revenue royalty

Long-term royalties (15 to 20 years)

- Royalties based on revenues and long-term cash-flow streams
- Up to 2% gross revenue royalty

COMPOUNDING EFFECT OF ROYALTY AND LOAN STRUCTURE

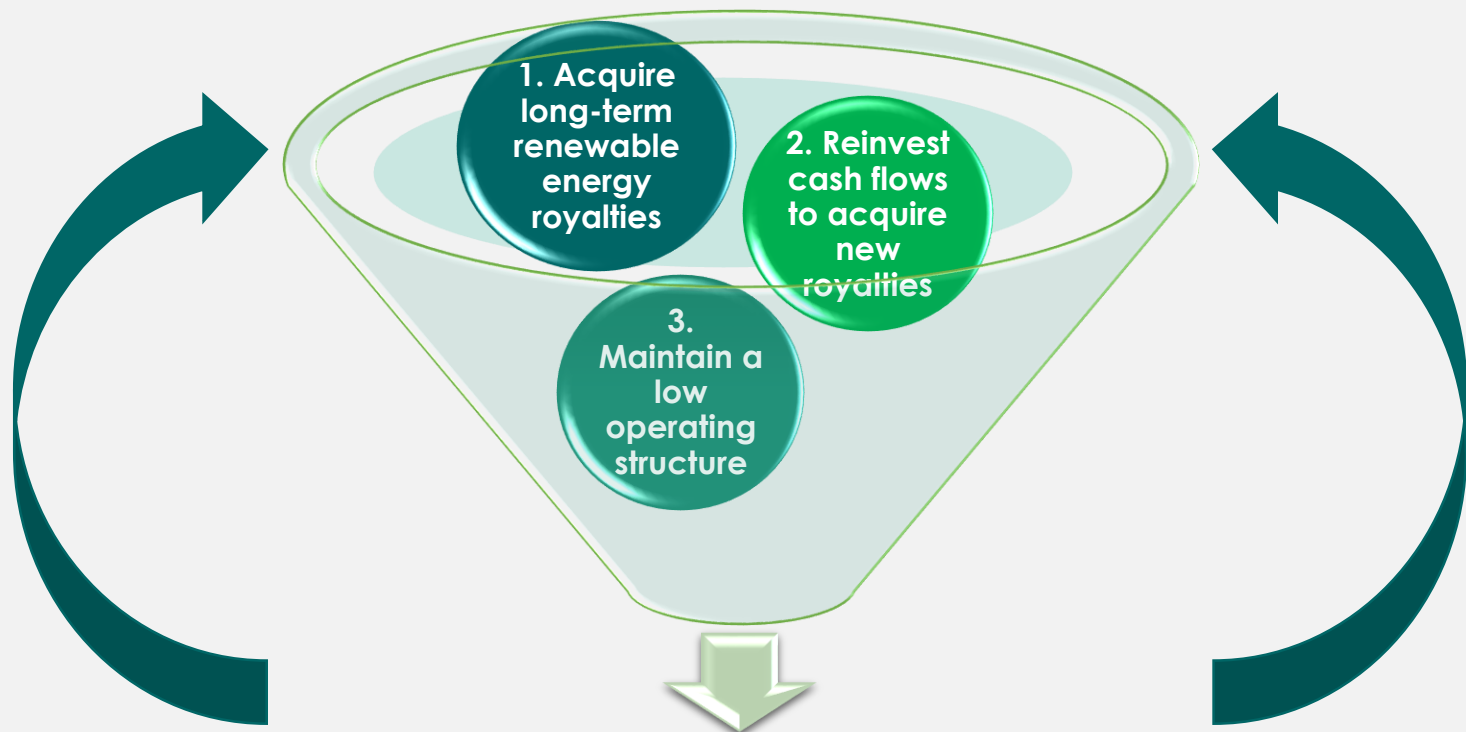


Re-investment of capital **7x**,
over 20 years, for 7 different royalties

How We Invest to Ensure Premium Returns

Our objective is to acquire a portfolio of **long-term, stable, and diversified royalty streams** that will provide our investors with **sustainable, long-term cash flows**.

*RE Royalties' Investment Policy is to achieve the following **long-term objectives**:*



Investments that produce secure, recurring cash flows to reinvest



How We Protect Your Investment¹

The Company **screens and acquires** royalties based on three major principles:

- Capital protection
- Immediacy of cash flow
- Risk-adjusted return

The Company's **investments are secured** using a combination of the following strategies;

- Senior-secured
- Over-collateralization
- Cross-collateralization
- Asset level security
- Guarantees, cross-guarantees and share pledges
- Step-in rights



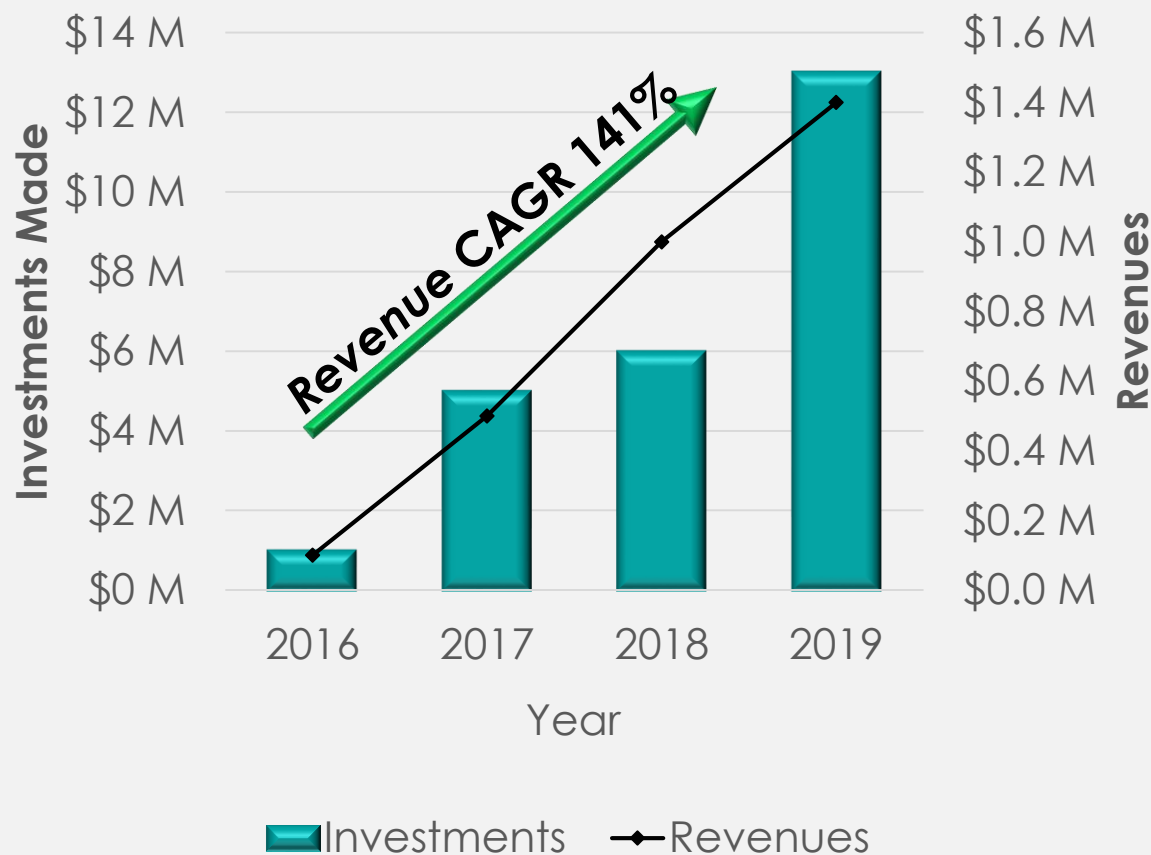
Current Renewable Energy Portfolio

	Technology	Status	Location	Generating Capacity (MW)	# of Royalties	Operator	Power Buyer	Annual GHG Offset by Project (tonnes)
Client 1	Wind	Operational	Canada	102	1	Altagas	BC Hydro	2,490
Client 2	Solar	Operational	Canada	40	4	Northland	Ontario Hydro	2,377
Client 3	Solar	Operational	Canada	22	60	Client 3	Ontario Hydro	1,025
Client 4	Solar	Construction Ready	USA	152	2	Client 4	Large US Bank	233,906
Client 5	Wind, Solar, Hydro	Operational	Europe	37	5	Client 5	Local Utility, EU	28,221
Client 6	Wind	Operational	Canada	40	12	WEB Windenergie	Nova Scotia Power	79,020
Total				392	84			347,039

Investment History

Revenue Growth & Investments Made

(2016 to 2019)



Snapshot

- Investments completed: 8
- Investments recycled: 2
- Investment portfolio
 - 80% Short-term loans
 - 20% Royalty streams
- 53 royalties acquired in 2019
- Q3-2020 YTD Revenue: \$2.09M
- Q3-2020 YTD Cash Flow: \$1.35M

Management Team



Bernard Tan

**Co-Founder
Chief Executive Officer**

15+ Years in corporate finance, resources, and technology

CPA, CA, MBA (Finance), Former CFO of TSX public company, Former CFO of Hunter Dickinson, CIM Young Leadership Award



Peter Leighton

**Co-Founder
Chief Operating Officer**

25+ Years in M&A and project development in the energy sector

Former President and COO of Finavera (Delivered \$750M in wind projects), Former COO of Accenture's Business Services for Utilities, Clean50 winner



Luqman Khan

Chief Financial Officer

20+ Years in Accounting and business management

CFO of publicly listed TSX-V mineral resource company, CPA, CGA, Ernst and Young Assurance



Bryce Anderson

VP, Investments

5+ Years in construction, maintenance, design

CFA, RIPC Holder from Responsible Investors Association (RIA), BEng in Mechanical Engineering



Talia Beckett

VP, Communications & Sustainability

10+ Years in public relations, communications, international business

Masters Degree from University of London, Recipient of the BC Export Award for International Business



Board of Directors

Marchand Snyman

Chairman & Director

- Co-Founder of RER
- Director and Chief Operating Officer of Hunter Dickinson Inc.
- 20+ years of senior executive experience in global corporate finance M&A, financing and divestiture activities
- Chartered Accountant (South Africa) & Chartered Accountant (Australia & new Zealand)

Stephen Cheeseman

Director (Independent)

- President of Chinook Power, where he developed 142 MW Quality Wind Project
- Current Director of Clean Energy BC
- Winner of Canada Clean 16 award for his dedication and contribution to sustainability and clean capitalism

Rene Carrier

Director (Independent)

- President of Euro- American Capital Corporation, a private investment company. Currently serves as an independent director on various publicly traded companies
- Founding Director of International Royalty Corp. ("IRCC") from 2003 until sale in 2010 for \$700M

Gord Fretwell

Director (Independent)

- Experienced securities and corporate finance lawyer. Principal of Gordon Fretwell Law Corporation
- Currently serves as an independent director on various publicly traded companies
- Founding Director of International Royalty Corp. ("IRCC") from 2003 until sale in 2010 for \$700M

Jill Leversage

Director (Independent)

- 30 years of senior investment banking executive and private equity experience
- Former Managing Director, Corporate & Investment Banking for TD Securities, a global investment bank
- Director of Various public and private company boards (Vancouver Airport Authority, ICBC, MAG Silver)
- Chartered Business Valuator and a Fellow of the Institute of chartered Accountants of BC

Paul Larkin

Director (Independent)

- President of the New Dawn Group, an investment and financial consulting firm, primarily involved in corporate finance, merchant banking and administrative management of public companies
- Founding Director, Chairman of the audit and special purpose committees of US Geothermal Inc. which was sold to Ormat Technologies, Inc. (NYSE:ORA)

Our Green Bonds

We are issuing our inaugural green bonds for:

- Investors to earn a **strong fixed income, secured against investments.**
- Proceeds will be invested in sustainable and renewable energy projects, that will reduce GHG's and mitigate the impacts of climate change.
- Our green bonds will be compliant with the International Capital Market Association Green Bond Principles (2018).





Size of Bond Offering:	Up to \$10 million
Price:	\$1,000 per Secured Green Bond
Term of Bond:	5 Years
Interest Rate:	6%
Interest Payment:	Quarterly
Minimum Size:	\$5,000
Registered Eligibility:	Yes
Security:	Bond Indenture ¹
Covenants:	1:1 debt to equity; 2 quarter interest reserve; and 110% interest coverage
Framework:	ICMA Green Bond Principles (2018)
Verification:	Independent Auditor
Bond Trustee:	Western Pacific Trust Co.
Use of Proceeds:	Short term loans to, and the acquisition of royalty streams from, green energy projects
Closing:	Monthly – 4 th Closing ~February 25 th

1. Please refer to the appendix for RE Royalties' detailed security strategies



WE WOULD LOVE TO HEAR FROM YOU



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Vancouver, B.C. Canada
V6E 4H1

Appendix





Our Investment Policy

The Company's Investment Policy is to achieve the following long-term objectives:

- Acquire long-term renewable energy royalty streams backed by power purchase agreements from credit worthy utilities or facilities that operate in strong merchant markets with stable power pricing;
- Reinvest royalty income, interest and capital repayment cash flows to acquire new royalties on an on-going basis to drive growth;
- Maintain a low operating cost structure (relative to other renewable energy companies); and
- Use debt financing to acquire additional royalties in order to enhance financial returns for shareholders.

How We Screen Investments

The Company screens and acquires royalties based on three major principles:

- **Capital Protection:** Client must be able to provide sufficient collateral to guarantee and protect the Company's royalty investments. Each transaction must be structured to maximize security and safeguard the investment. Projects must be able to clearly demonstrate long-term operational performance, profitability and liquidation value, in the event the Company has to step in to either operate or sell the projects.
- **Immediacy of Cash Flow:** Projects must have a very clear path to cash flows and generate sufficient margins to be able to service the long-term royalty payments.
- **Risk-Adjusted Return:** Each royalty transaction must be able to generate internal rates of returns above the Company's long-term financial targets given the different types, and level of risk on each deal.



How We Secure Investments

The Company's royalty investments are typically protected using a combination of the following strategies:

- **Senior-secured:** The Company will seek to ensure that its investments are ranked in priority to other debts. In the event of a default by a client, this should ensure that the Company maintains the ability to control the default process and also ensure priority payment on any potential sale of the assets.
- **Over-collateralization:** The Company will seek to collateralize its investment against a value that is greater than its investment. The Company conducts a valuation analysis of each client's assets through a combination of discounted cash flow analysis from its operational assets, comparable valuations, or cash flow multiples. This should ensure the Company will be able to recover its original investment and targeted returns in the event of a default.
- **Cross-collateralization:** The Company will seek to cross-collateralize its investment against a portfolio of assets. This should provide additional protection in the event one asset triggers a potential default, as the Company should be able to monetize the client's other assets which were not subject to the default.
- **Asset level security:** The Company will seek to register security claims where available against the actual assets such as cash, receivables, deposits, land, contracts and equipment that the Client may own.
- **Guarantees, cross-guarantees and share pledges:** The Company will seek to obtain guarantees from the client's parent company or affiliated companies for the Company's royalty investments. The Company will also ensure that the clients pledge the shares of their respective subsidiary companies as guarantees.
- **Step-in rights:** The Company will seek to obtain step-in rights with the client to operate the assets in the event of a default. This should ensure that the assets will continue to operate in an optimal manner and that the Company will be able to achieve a proper recoverable value on our investment.

Disclaimer

PURCHASER'S RIGHTS OF RESCISSION AND RESALE RESTRICTIONS

In certain circumstances, purchasers resident in certain provinces of Canada, are provided with a remedy for rescission or damages, or both, in addition to any other right they may have at law, where a presentation and any amendment to it contains a misrepresentation. Where used herein, "misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

The following summary is subject to the express provisions of the applicable securities laws, regulations and rules, and reference is made thereto for the complete text of such provisions. Such provisions may contain limitations and statutory defenses not described here on which the Company and other applicable parties may rely. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.

The following is a summary of rights of rescission or damages, or both, available to purchasers resident in the province of Ontario, New Brunswick, Nova Scotia and Saskatchewan. If there is a misrepresentation herein and you are a purchaser under securities legislation in Ontario, New Brunswick, Nova Scotia and Saskatchewan you have, without regard to whether you relied upon the misrepresentation, a statutory right of action for damages, or while still the owner of the securities, for rescission against the Company. This statutory right of action is subject to the following: (a) if you elect to exercise the right of action for rescission, you will have no right of action for damages against the Company; (b) except with respect to purchasers resident in Nova Scotia, no action shall be commenced to enforce a right of action for rescission after 180 days from the date of the transaction that gave rise to the cause of action; (c) no action shall be commenced to enforce a right of action for damages after the earlier of (i) 180 days (with respect to purchasers resident in Ontario) or one year (with respect to purchasers resident in Saskatchewan and New Brunswick) after you first had knowledge of the facts giving rise to the cause of action and (ii) three years (with respect to purchasers resident in Ontario) or six years (with respect to purchasers resident in Saskatchewan and New Brunswick) after the date of the transaction that gave rise to the cause of action; (d) with respect to purchasers resident in Nova Scotia, no action shall be commenced to enforce a right of action for rescission or damages after 120 days from the date on which payment for the securities was made by you; (e) the Company will not be liable if it proves that you purchased the securities with knowledge of the misrepresentation; (f) in the case of an action for damages, the Company will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentations; and (g) in no case will the amount recoverable in such action exceed the price at which the securities were sold to you. The foregoing is a summary only and is subject to the express provisions of the *Securities Act* (Ontario), the *Securities Act* (New Brunswick), the *Securities Act* (Nova Scotia) and the *Securities Act* (Saskatchewan), and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. Such provisions may contain limitations and statutory defenses on which the Company may rely.

Notwithstanding that the *Securities Act* (British Columbia), the *Securities Act* (Alberta), and the *Securities Act* (Québec) do not provide, or require the Company to provide, to purchasers resident in these jurisdictions any rights of action in circumstances where this presentation or an amendment hereto contains a misrepresentation, the Company hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

However, securities legislation in Alberta provides that every purchaser of securities in reliance on the exemption set forth in section 2.10 (the minimum amount exemption) of NI 45-106 pursuant to this presentation shall have, in addition to any other rights they may have at law, a right of action for damages or rescission against the Company and certain other persons if this presentation or any amendment thereto contains a misrepresentation. Such rights must be exercised within prescribed time limits, being (i) in the case of an action for rescission, 180 days from the day of the transaction that gave rise to the cause of action, or (ii) in the case of any action, other than an action for rescission, the earlier of, (a) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or (b) three years from the day of the transaction that gave rise to the cause of action. Purchasers should refer to the applicable provisions of the *Securities Act* (Alberta) for particulars of those rights or consult with a lawyer.

In Manitoba, the *Securities Act* (Manitoba), in Newfoundland and Labrador the *Securities Act* (Newfoundland and Labrador), in Prince Edward Island the *Securities Act* (PEI), in Yukon, the *Securities Act* (Yukon), in Nunavut, the *Securities Act* (Nunavut) and in the Northwest Territories, the *Securities Act* (Northwest Territories) provide a statutory right of action for damages or rescission to purchasers resident in Manitoba, Newfoundland, PEI, Yukon, Nunavut and Northwest Territories respectively, in circumstances where this presentation or an amendment hereto contains a misrepresentation, which rights are similar, but not identical, to the rights available to Ontario purchasers.

The statutory right of action described above is in addition to and without derogation from any other right or remedy at law.

Resale Restrictions.

The securities described herein will be offered on a private placement basis in reliance upon prospectus exemptions under applicable securities legislation. Resale of the securities offered hereby will be subject to restrictions under the applicable securities legislation, which will vary depending on the relevant jurisdiction. Generally, such securities may be resold only pursuant to an exemption from the prospectus requirements of applicable securities legislation or pursuant to an exemption order granted by appropriate securities regulatory authorities.