

EARL RESOURCES LIMITED ANNOUNCES CLOSING OF SUBSCRIPTION RECEIPT PRIVATE PLACEMENT AND COMMON SHARE PRIVATE PLACEMENT

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VANCOUVER, BRITISH COLUMBIA – February 1, 2022 – Earl Resources Limited (“**Earl Resources**”) (TSXV: ERL.H) is pleased to announce: (i) further to its press release dated November 26, 2021, the closing of the non-brokered private placement (the “**Concurrent Financing**”) of subscription receipts (“**Subscription Receipts**”) of Earl Resources, at a price of CAD\$0.45 per Subscription Receipt for aggregate gross process of CAD\$9,217,272; and (ii) the closing of the non-brokered private placement (the “**Bridge Financing**”) of common shares of Earl Resources (“**Common Shares**”), at a price of CAD\$0.45 per Common Shares for aggregate gross process of CAD\$450,000.

Summary of the Concurrent Financing

The Concurrent Financing was completed in connection with a series of transactions (the “**Proposed Transactions**”) that are intended to constitute Earl Resources’ “Change of Business” as such term is defined in TSX Venture Exchange (“**TSXV**”) Policy 5.2 (“**Policy 5.2**”). The Proposed Transactions involve the acquisition of certain interests that are expected to result in Earl Resources engaging in the business of developing validated and verified carbon credits from afforestation and reforestation of degraded land areas for sale into international voluntary carbon markets upon closing thereof (the “**Closing**”). Further details regarding the Proposed Transactions were previously announced by Earl Resources on November 26, 2021.

An aggregate of 20,482,827 Subscription Receipts were issued in connection with the Concurrent Financing on January 28, 2022 and February 1, 2022. Each Subscription Receipt entitles the holder thereof to receive, upon the satisfaction of certain escrow release conditions (the “**Escrow Release Conditions**”) prior to the Escrow Release Deadline (as defined below), including all conditions precedent to the Proposed Transactions being satisfied, and without any further action by the holder of such Subscription Receipt and for no further payment, one common share of Earl Resources (each an “**Earl Share**”). The gross proceeds of the Concurrent Financing together with any interest earned thereon (the “**Escrowed Funds**”) have been deposited in escrow with the subscription receipt agent until the satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions. In connection with the Concurrent Financing, Earl Resources has agreed to pay a cash finder’s fee of \$9,261 and issue an aggregate of 553,921 Earl Shares at the Closing of the Proposed Transaction (collectively, the “**Finder Fees**”), representing 6% of the gross proceeds raised from subscriptions in the Concurrent Financing introduced by certain arm’s length finders. Final approval of the Concurrent Financing (and the payment of the Finder Fees) remains subject to approval of the TSXV.

The Concurrent Financing was expected to raise gross proceeds of a minimum of \$6,100,000. Due to the high interest and demand in the Proposed Transactions and the Concurrent Financing, Earl Resources currently anticipates that a second tranche of the Concurrent Financing will be completed prior to closing of the Proposed Transactions with substantially the same terms of the closing announced today (including Escrow Release Conditions). Details of the closing of a second tranche of the Concurrent Financing will be announced in a subsequent press release of Earl Resources, as applicable.

In the event that the Escrow Release Conditions have not been satisfied or waiver (to the extent such waiver is permitted) by May 28, 2022 or such other date as Earl Resources and holders of the Subscription Receipts determine pursuant to the subscription receipt agreement (the “**Escrow Release Deadline**”) or if Earl Resources announces to the public that it does not intend to satisfy the Escrow Release Conditions, or that the Proposed Transactions have been terminated, the aggregate issue price of the Subscription Receipts together with any earned interest shall be returned to the applicable holders of the Subscription Receipts (net of any applicable withholding taxes), and such Subscription Receipts shall be automatically cancelled and be of no further force and effect.

Upon completion of the Proposed Transactions, the Escrowed Funds will be used to fund the Proposed Transactions, to develop the go-forward business of Earl Resources, and for working capital and general corporate purposes.

Summary of the Bridge Financing

An aggregate of 1,000,000 Common Shares were issued in connection with the Bridge Financing. In accordance with Policy 5.2, the proceeds of the Bridge Financing will be used specifically for purposes of funding the costs associated with completing the Proposed Transactions, including costs related to audit fees, legal fees, preparation of necessary documentation for the Proposed Transactions and due diligence costs. Final approval of the Bridge Financing remains subject to approval of the TSXV.

About Earl Resources

Earl Resources was incorporated under the *Companies Act* (British Columbia) as a speciality limited company on November 21, 1963. In July of 1998, Earl Resources continued into the Cayman Islands and in February 2018, Earl Resources continued back into British Columbia under the *Business Corporations Act* (British Columbia). Earl Resources is currently inactive with limited operations, and the Earl Shares are currently listed on the NEX board of the TSXV. Earl Resources is currently listed on the NEX under the symbol “ERLH”. The head office and registered records office of Earl Resources is located at Suite 390 – 1050 Homer Street, Vancouver, BC, V6B 2W9.

“We anticipate getting conditional approval from the TSX Venture Exchange for our Proposed Transactions over the next several weeks and prior to the Escrow Release Deadline, and with the support of our expanding shareholder base, aim to grow our company sustainably. I’m reminded of the legendary Brazilian football (soccer) player Pelé, known around the world and across generations, who was quoted as saying, ‘Success is no accident. It is hard work, perseverance, learning, studying, sacrifice, and most of all, love of what you are doing or learning to do’, which I would agree with and would like to take this moment to say that, with the help of the team and board of directors, we are working to build a company that will invest meaningfully on a global scale toward positive environmental impact”, said Dr. James Tansey, the proposed incoming CEO of Earl Resources upon the Closing.

Following the Closing, Earl Resources expects to address the rapidly growing demand for carbon credits in global voluntary and regulated markets by investing in the exploration, development and management of terrestrial and marine systems that can either be protected to enhance sequestration of greenhouse gases or restored from a degraded status to fully productive ecosystems. Earl Resources anticipates that it will significantly expand the production of carbon credits drawing on a senior executive team and board that bring experience in key target markets from the mining and natural resources sectors. Earl Resources plans to deploy capital at risk under various arrangements (including cooperation, assignment and production sharing agreements) with large land owners in various suitable jurisdictions around the world.

Trading Halt

In accordance with Policy 5.2, the Earl Shares are currently halted from trading and are expected to remain halted pending the requirements of Section 2.5 of Policy 5.2 being met.

Additional Information

For further information:

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Reader Advisory

Completion of the Proposed Transactions is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the Proposed Transactions cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transactions will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Earl Resources should be considered highly speculative. The TSXV has in no way passed upon the merits of the Proposed Transactions and has neither approved nor disapproved the contents of this news release.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. Any statements that are contained in this press release that are not statements of historical fact may be deemed to

be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “will”, “estimates”, “believes”, “intends” “expects” and similar expressions which are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning: the Proposed Transactions; the Escrow Release Conditions; payment of the Finder Fees; and the use of proceeds from the Concurrent Financing and Bridge Financing. Earl Resources cautions that all forward-looking statements are inherently uncertain, and that actual performance may be affected by a number of material factors, assumptions and expectations, many of which are beyond the control of Earl Resources, including expectations and assumptions concerning Earl Resources, the Proposed Transactions, the timely receipt of all required TSXV and regulatory approvals and exemptions (as applicable). The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Earl Resources. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

The forward-looking statements contained in this press release are made as of the date of this press release, and Earl Resources does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

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