

EARL RESOURCES LIMITED ANNOUNCES EXECUTION OF DEFINITIVE AGREEMENTS REGARDING CHANGE OF BUSINESS TRANSACTION

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VANCOUVER, BRITISH COLUMBIA – February 28, 2022 –Earl Resources Limited (“**Earl Resources**”) (TSXV: ERL.H), further to its press release dated November 26, 2021, announces that, it has entered into certain Definitive Agreements (as defined herein) in respect of Earl Resources’ proposed “Change of Business” (the “**Proposed COB**”) as such term is defined in TSX Venture Exchange (“**TSXV**”) Policy 5.2 (“**Policy 5.2**”).

The Definitive Agreements

Sierra Leone Transaction

On February 25, 2022, Earl Resources entered into a deed of assignment with Rewilding Maforki Ltd. (“**RML**”) and Aristeus Projects Limited (“**APL**”) (the “**Sierra Leone COB Agreement**”) and a prepayment agreement with RML and APL (the “**Sierra Leone Prepayment Agreement**”), whereby Earl Resources will acquire by assignment 51% of carbon credits to be generated by RML from its planned project being developed on approximately 25,000 hectares of land with the Maforki Chiefdom in Sierra Leone located at the Malal, Rokon, Gbonkohyeni and Maforay communities (together referred to as the “**Maforki Project**”), for aggregate consideration consisting of 7,500,000 common shares of Earl Resources (“**Earl Shares**”) issuable at a deemed value of \$0.45 per Earl Share (which implies a consideration in the amount of \$3,375,000). Pursuant to the Sierra Leone COB Agreement and for further consideration of the assignment of the future carbon credits, Earl Resources has also entered into the Sierra Leone Prepayment Agreement pursuant to which it will advance aggregate funds of up to USD \$750,000 to RML in order to assist RML in the initial setup works and costs associated with the Maforki Project together with funding EcoSecurities baseline and PDD reports required in assessing project viability. Earl Resources, in its discretion, may also make one or more further advances for aggregate funds of up to USD \$350,000 to RML to further the Maforki Project. RML is in the process of completing the land title formalities over 25,000 ha of land in Sierra Leone designated for re-wilding.

The Sierra Leone Transaction constitutes an Arm’s Length Transaction pursuant to the policies of the TSXV and no new Control Person will be created upon completion of the Sierra Leone Transaction. Further information regarding RML, APL and the Sierra Leone Transaction are set out in Earl Resources’ press release dated November 26, 2021. Copies of the Sierra Leone COB Agreement and Sierra Leone Prepayment Agreement are available for review under Earl Resource’s profile at www.sedar.com.

Guyana Transaction

On February 25, 2022, Earl Resources entered into a share purchase agreement with Pomeroon Trading (Holdings) Ltd. (“**PTHL**”) and certain minority shareholders of PTHL (the “**Guyana COB Agreement**”) that together hold the majority of the issued shares of PTHL (the “**PTHL Shares**”) and concurrently issued an offer to purchase to all of the other shareholders of PTHL (the “**Guyana Short Offers to Purchase**”), to purchase, in the aggregate, up to 887,703 PTHL Shares, in exchange for the issuance of that number of Earl Shares equal to an aggregate price of USD\$3,550,812, at a price per Earl Share of CAD\$0.45. In addition, Earl Resources agreed to concurrently subscribe for an additional 187,000 PTHL Shares for cash, at an implied price per PTHL Share of USD\$4.00 (providing for an aggregate subscription price of USD\$748,000), which, with the aforementioned purchase of PTHL Shares, is expected to result in Earl Resources holding (upon closing) a circa. 60% ownership interest in PTHL. The Guyana COB Agreement also provides that Earl Resources shall commit for a period of 12 months following closing of the transactions pursuant to the Guyana COB Agreement, that subject to PTHL initiating one or more qualifying carbon credit project(s) (to the satisfaction of Earl Resources), Earl Resources will make an offer to all remaining shareholders of PTHL to acquire all of their PTHL Shares at a price to be agreed, accepting that the consideration to be paid pursuant to any such acquisition shall be settled through the issuance of additional Earl Shares (at a price calculated as the 30 day volume weighted average price of the Earl Shares and subject to approval of the TSXV) unless otherwise mutually agreed between Earl Resources and a remaining PTHL shareholder.

The Guyana Transaction is considered a Related Party Transaction on the basis that Mr. Ford Nicholson, a director and insider of the Corporation, owns 16,667 PTHL Shares representing 1.7% of the PTHL Shares. However, due to the minimal holdings of PTHL Shares by Mr. Ford Nicholson (among other things), the Guyana Transaction is exempt from the formal valuation and minority approval requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. No new Control Person will be created upon completion of the Guyana Transaction.

Further information regarding PTHL and the Guyana Transaction are set out in Earl Resources' press release dated November 26, 2021. Copies of the Guyana COB Agreement and Guyana Short Offers to Purchase are available for review under Earl Resource's profile at www.sedar.com.

Yucatan Transaction

Earl Resources previously announced on November 26, 2021 that it entered into an assignment agreement with Compania Mexicana de Captacion de Carbono ("CMCC") (the "**Yucatan COB Agreement**") to acquire all of CMCC's rights and interests under a consulting services agreement dated May 11, 2021 between CMCC and the Government of the State of Yucatan, Mexico (the "**Yucatan Contract**"), as well as that it entered into an agreement with CMCC dated November 25, 2021 wherein CCMC assigned a certain commission to Earl Resources (the "**Commission Agreement**").

Further information regarding CMCC and the Yucatan Transaction are set out in Earl Resources' press release dated November 26, 2021. The Yucatan Transaction constitutes an Arm's Length Transaction pursuant to the policies of the TSXV and no new Control Person will be created upon completion of the Yucatan Transaction. Copies of the Yucatan COB Agreement, Yucatan Contract and Commission Agreement are available for review under Earl Resource's profile at www.sedar.com.

Proposed COB

It is intended that the Proposed COB will constitute Earl Resources' "reactivation" under the policies of the TSXV and that upon completion of the Proposed COB ("**Closing**") and satisfaction of all conditions of the TSXV, Earl Resources will have its listing transferred from the NEX board of the TSXV ("**NEX**") to the TSXV.

It is anticipated that Earl Resources will carry on the business of developing validated and verified carbon credits from afforestation and reforestation of degraded land areas for sale into international voluntary carbon markets (the "**Business**") and will meet the Tier 2 Initial Listing Requirements for an Industrial Issuer, such that Earl Resources will be graduated from the NEX to the TSXV. In connection with the Closing, it is anticipated that Earl Resources will change its name to "Klimat X Development Inc.", or such other name as the directors of Earl Resources may chose (subject to applicable regulatory approvals and approval of the TSXV), in order to more accurately reflect its operations and the Business.

Completion of the Proposed COB is subject to a number of conditions, including the conditions to closing set forth in the Sierra Leone COB Agreement, the Sierra Leone Prepayment Agreement, the Yucatan COB Agreement, the Commission Agreement, the Guyana COB Agreement and the Guyana Short Offers to Purchase (collectively, the "**Definitive Agreements**") and acceptance by the TSXV. There can be no assurance the Proposed COB will be completed as proposed or at all.

"The timely execution of definitive agreements with our partners represents a big and foundational step forward. I believe it was Henry Ford who said 'Coming together is a beginning. Keeping together is progress. Working together is success.' The carbon credit industry is evolving and the foundation of it is grounded in a social contract amongst people with a shared ambition of improving the environment around the world. People are what will determine success. Success in our pursuits will impact people, for generations to come. People matter. period." - said Dr. James Tansey, the proposed incoming CEO of Earl Resources upon the Closing.

Shares for Debt Settlement

In connection with the Proposed COB, Earl Resources intends to settle certain outstanding accounts payable in the aggregate amount of CAD\$153,415 (the "**Debt**") owing to certain consultants of the Corporation ("**Consultants**") through the issuance of 340,922 common shares of Earl Resources (the "**Settlement Shares**"), at a deemed price of CAD\$0.45 per Settlement Share (the "**Shares for Debt Transaction**").

The Debt was accrued pursuant to certain consultant services agreements (the "**Consulting Agreements**") entered into: (i) between the Corporation and ILS Consulting, for aggregate consulting services payable to ILS Consulting of CAD\$50,000; (ii) between the Corporation and Park Energy Law UK Ltd., for aggregate consulting services payable to Park Energy Law UK Ltd. of USD\$50,000; (iii) between the Corporation and Guy Bertin, for aggregate consulting services payable to ILS Consulting of CAD\$25,000; and (iv) between the Corporation and Clarus Securities Inc., for aggregate consulting services payable to Clarus Securities Inc. of CAD\$225,000.

No new control person of the Corporation will be created pursuant to the Shares for Debt Transaction and the Shares for Debt Transaction is an arm's length transaction within the policies of the TSXV. All Settlement Shares will be subject to a four-month and one-day hold period from the date of issuance, being the date of closing of the Proposed COB.

Final approval of the Shares for Debt Transaction remains subject to approval of the TSXV.

Trading Halt

In accordance with Policy 5.2, the Common Shares of Earl Resources 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 approval of the assignment of the Yucatan Contract by the applicable governmental authorities; the closing of the transactions contemplated by the Definitive Agreements; the proposed change of name of Earl Resources; and that the Proposed COB will constitute the “reactivation” of Earl Resources under the policies of the TSXV. 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) and the satisfaction of other closing conditions in accordance with the terms of the Definitive Agreements. 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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