

Arctic Charr for a Global Market

Investment Opportunity

Eligible for the Manitoba Small Business Venture Capital Tax Credit
(45% tax credit for eligible Manitoba investors)

Class C Preferred Non-Voting Shares



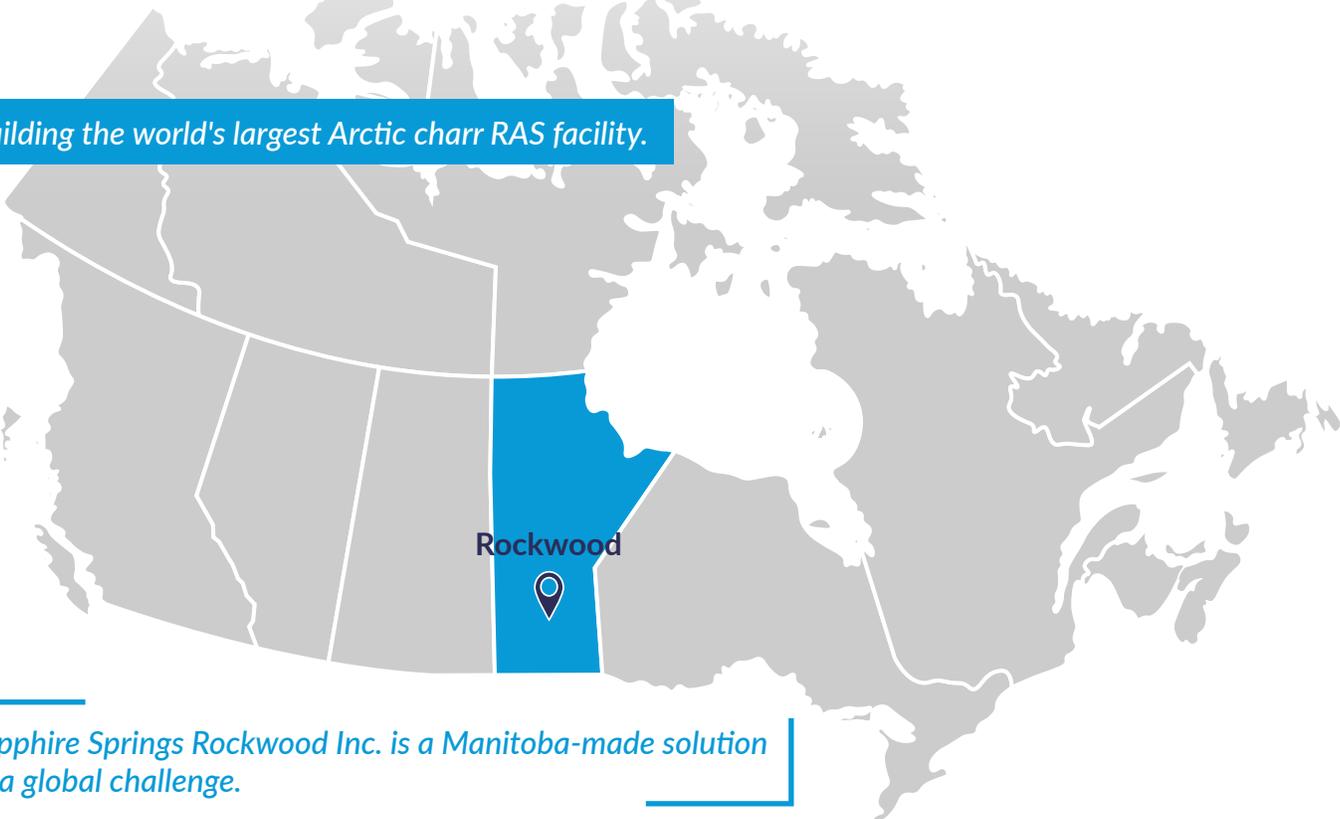
Sapphire Springs Rockwood at a Glance

Technology. Location. Expertise. Scale.

- Incorporated in 2020, our goal is to bring to market **healthy, desirable, and environmentally friendly animal protein**.
- Sapphire Springs Rockwood operates on a **160-acre property in Rockwood, Manitoba, 30 minutes north of Winnipeg**. The site is a former Department of Fisheries and Oceans research facility.
- Our central location offers **favourable delivery logistics to over 100 million consumers** residing within a day's truck ride. The location gives us access to inexpensive, carbon-free hydroelectric power and an ample source of staff from Winnipeg and the surrounding area.
- **Facility development and construction** are well advanced.
- Targeting production of **5,000 metric tons of Arctic charr annually**, with the first full month of production slated for October 2026, representing approximately 60,000 fish processed every week.
- Employing the latest generation of **RAS (recirculating aquaculture system) technology**, customized for the unique conditions of Manitoba's climate and geography.
- The technology is **robust, ever-evolving**, and can be adapted for future expansion.
- We use **pristine, ancient water from the remnants of Lake Agassiz**, provided in enormous quantities via artesian wells. This water is untouched by any form of pollution, and pressure from the aquifer pushes water to the surface naturally without the need for any pumps.
- Our fish stock consists of **expertly raised, Yukon-sourced Arctic charr** (the Nauyuk strain) with no exposure to disease, antibiotics, pesticides, or microplastics.
- Company is led by experienced **business owners, aquaculture experts, accountants, engineers, production specialists, and packaging experts**.
- Partnerships are in place with **global experts** in RAS design and installation.
- Developing partnerships with the **leading seafood distributors and brokers** in North America.
- Committed to the highest standards of **environmental, social, and governance (ESG)** policy excellence.

Building the world's largest Arctic charr RAS facility.

Rockwood



Sapphire Springs Rockwood Inc. is a Manitoba-made solution to a global challenge.

A Growing Global Population; A Growing Global Demand for Fish

The solution is high-quality aquaculture

The world's population is expected to increase from roughly 7.9 billion people today to **9.8 billion in 2050 and 11.2 billion in 2100.**¹

As the population grows, it is anticipated that the demand for all food will skyrocket. Fish is an especially popular source of protein, with global demand doubling between 1998 and 2021, and another **projected doubling expected between 2021 and 2050.**²

As such, **the global supply of fish is at risk as wild stocks are overfished.** The collapse of various fisheries is not inconceivable. Case in point, the cod industry continues to recover after over-exploitation led to a fishing ban in 1992.

In addition to the very real risks of collapsing fisheries, overfishing the world's lakes and oceans to feed the growing population is expected to pose **significant environmental challenges.**

According to Fisheries and Oceans Canada: "In addition to harvesting large amounts of fish and seafood to sell, **large-scale fishing operations catch and often unintentionally kill untargeted marine life,** including juvenile fish, corals and other bottom-feeding organisms, sharks, whales, sea

turtles, and birds. Killing these unintended species can have significant effects on marine ecosystems."³

Additionally, many fish—salmon in particular—are raised in open-net pens, which has been declared a "high-risk system" by SeaChoice, a sustainable seafood partnership.⁴ **Open-net pens are in essence cages that "allow free exchange of waste, chemicals, parasites, and disease."**⁵ Animal rights activists have also pointed out that open-net pen conditions are inhumane and even "deplorable"⁶ for individual fish.

The global fishery in its current state contributes to climate change, disrupts the food chain, can pose health risks to the fish and the people who eat them, and causes biodiversity loss in Canadian and global waters. All this while the global supply is challenged. **We believe that the status quo cannot persist.**

Clean, technologically advanced aquaculture will:

- address skyrocketing demand;
- dramatically reduce the risk of disease in fish;
- protect wild stocks and the environment; and
- preserve animal rights.

Sapphire Springs Rockwood aims to be an integral part of the solution: productive, peerless, and profitable.

Management believes that the solution to the looming crisis is the further development of clean, sustainable, modern, land-based aquaculture. **Without aquaculture, the world will face a seafood shortage of 50–80 million metric tons of fish by 2030.**

According to the Food and Agriculture Organization of the United Nations, **aquaculture will need to supply two-thirds of the world's seafood by 2030** as the world's population continues to climb.

1. United Nations Department of Economic and Social Affairs. <https://www.un.org/en/desa/world-population-projected-reach-98-billion-2050-and-112-billion-2100>
2. New Scientist. <https://www.newscientist.com/article/2290082-global-demand-for-fish-expected-to-almost-double-by-2050/>
3. Government of Canada. <https://www.dfo-mpo.gc.ca/international/isu-global-eng.htm>
4. SeaChoice. <https://www.seachoice.org/info-centre/aquaculture/aquaculture-methods/>
5. Ibid.
6. AnimalsAsia. <https://www.animalsasia.org/uk/media/news/news-archive/fish-farming-the-hidden-animal-welfare-disaster-happening-right-under-our-feet.html>

Three Stages of Aquaculture; Three Stages of Excellence

Growing fish, growing market, growing revenues

An aquaculture operation comprises three distinct phases of work:

- the **hatchery phase**, when fish are bred, hatched, and reared until they reach a target size;
- the **grow-out phase**, when fish are nurtured and grown until they reach a marketable weight; and
- the **processing phase**, when the fish are harvested and prepared for distribution and sale.

In all three stages, Sapphire Springs Rockwood is focused on setting new standards in aquaculture excellence.



Fish. Scale.

Designed for growth

Sapphire Springs Rockwood is implementing RAS technology and installing processing equipment with a high degree of automation. Construction is expected to be complete by mid-2025, with full production expected by October 2026. In our first full year of production, we anticipate that revenues will approach \$90 million with an EBITDA of 49%.

Capital Required	\$190,000,000
MT of Production	5,000
Capital Costs per kg	\$29.00
Revenue	\$87,000,000
EBITDA - %	49%
EBITDA - \$\$	\$41,000,000

01

HATCHERY:

Our broodstock (mature fish that are used for breeding) are **natural, never exposed to vaccines, antibiotics, or contaminants**. This guarantees a regular supply of healthy eggs.

Our stock—which comes from the Nauyuk strain of Arctic charr—has been developed in pristine waters for over 30 years on the Sapphire Springs Rockwood site, which used to be a Department of Fisheries and Oceans research facility. **Nauyuk is a proven strain of healthy, desirable, and delicious fish.**

Because Sapphire Springs Rockwood owns its own broodstock and eggs, **the company controls its own destiny**. To enhance our egg supply further, we have acquired Icy Waters Ltd., a respected Arctic charr operation in Whitehorse, Yukon, also using the Nauyuk strain.

Between our own supply and the eggs that will become available through our acquisition of Icy Waters, Sapphire Springs Rockwood is expected to have **access to 13,000,000 eggs annually**.

The size and stability of our egg supply is expected to ensure **uninterrupted production and adequate outputs to meet market demand**.



02

GROW-OUT:

We have chosen **PR Aqua**—internationally respected experts in aquaculture and RAS technology—to help us customize and develop the facilities we require to raise the type of Arctic charr the market will desire.

PR Aqua understands the **important nuances of feed storage and delivery, water temperature and water quality, lighting, and other variables that will support our efforts.** This information is also integral to our construction and technology plans.

We are designing and implementing a system that will produce **5,000 metric tons of Arctic charr annually** and we anticipate that this will represent approximately **60,000 fish a week.**

Manitoba is uniquely positioned for Arctic charr aquaculture due to the climate and cooler waters. PR Aqua’s plan will aim to optimize the benefits of our location.

03

PROCESSING:

The management team of Sapphire Springs Rockwood understands that **an innovative, nimble, and responsive approach to fish processing is at the heart of a successful aquaculture enterprise.**

Processing is defined by everything that happens to the fish after they have been grown. This includes stunning, filleting, packaging, and freezing in preparation for shipping.

Sapphire Springs Rockwood is committed to regular engagement with distributors and retailers to understand the needs of their customers. As such, **our processing and marketing plans are closely aligned.**

We will process and distribute products that are desired by consumers.

Additionally, **Sapphire Springs Rockwood has engaged the services of Marel, a world-leading, Iceland-based supplier of fish processing equipment.** On our planned path toward full automation, we expect to purchase up to 80 pieces of state-of-the-art processing equipment valued at approximately \$10 million in total.

We aim to become Canada’s leanest, most environmentally sustainable, and most innovative producer and processor of high-quality Arctic charr. Our approach to processing will set **a new standard in Canadian aquaculture.**



“The Nauyuk strain... is notably different from the others in that it grows to large market size before reaching maturity, has good coloration at slaughter, shows no incidence of precocious males, and has a large egg size. For these reasons it is the preferred commercial strain in Canada and in other countries where it has been introduced to commercial growers (Picard 1997; de March 1997).”

- William Gavin Johnston, *Arctic Charr Aquaculture*, Fishing News Books, 2002

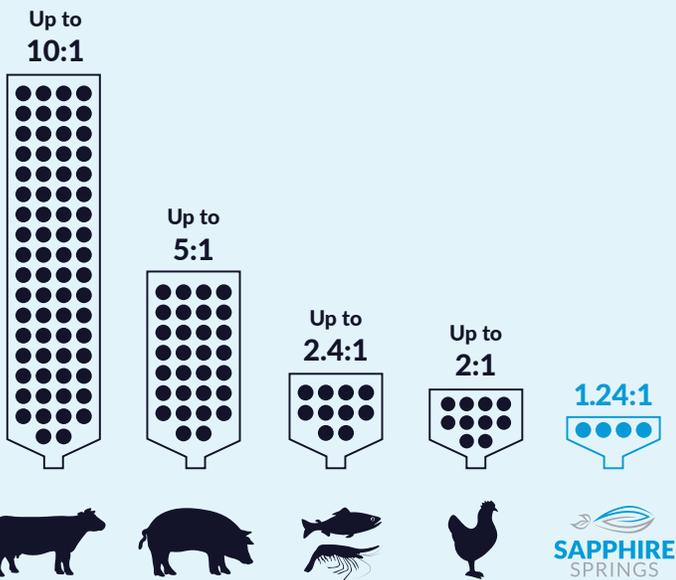
Feed Conversion Ratio

Exceptional eFISHency in protein production

With the skyrocketing global demand for protein, farmed fish stands out for its production efficiency and lower feed conversion ratio (FCR).

FCR is a common measure of livestock production efficiency. It is calculated by measuring the weight of feed consumed by the animal against weight gained by the animal. The lower the FCR, the greater the efficiency.

FCRs are typically 6.0–10.0 for beef, 2.7–5.0 for pigs, 1.0–2.4 for farmed fish and shrimp, and 1.7–2.0 for chicken.⁷ The Sapphire Springs Rockwood feed plan anticipates a very low FCR of 1.24 for Arctic charr weighing up to 2.5 kgs each.



7. [https://tabledebates.org/research-library/feed-conversion-efficiency-aquaculture-do-we-measure-it-correctly#:~:text=Feed%20conversion%20ratio%20\(FCR\)%20is,for%20farmed%20fish%20and%20shrimp](https://tabledebates.org/research-library/feed-conversion-efficiency-aquaculture-do-we-measure-it-correctly#:~:text=Feed%20conversion%20ratio%20(FCR)%20is,for%20farmed%20fish%20and%20shrimp)

What is RAS Technology?

The new age in aquaculture



Recirculating aquaculture systems are closed loop systems that **continuously filter and treat the water**, before returning it to the large tanks where fish grow. Using recycled water reduces waste, and RAS technology ensures maximum purity so fish can grow disease-free in humane conditions.

RAS allows for the filtering, purification, and **re-use of over 99% of the water** used in the large tanks used to grow the fish. Water quality is maintained with state-of-the-art biofilters, UV treatment, oxygenators, and CO₂ stripping. Beyond water quality, RAS technology allows for the **repurposing of all waste as compost and soil enhancers**. RAS technology was designed and developed with the environment, animal well-being, production efficiency, and food safety top of mind.

This relatively new technology continues to improve, and producers and investors the world over are taking notice. **Recent RAS projects launched in Norway, Japan, the United States, and the United Kingdom** are shining a light on the potential of the technology as lessons are learned and the technology improves rapidly.

“There is not much competition in the char industry and demand is out there.”

Spawning Aquaculture 2.0: Summary report on the March 2, 2018, aquaculture stakeholder conference

<https://www.gov.mb.ca/agriculture/livestock/aquaculture/pubs/spawningaquaculture2.0.pdf>

Marketing, Distribution, and Promotion

Meeting the needs of distributors and consumers

Sapphire Springs Rockwood's marketing strategy is steeped in commitments to:

- **engage regularly with industry stakeholders** and to develop effective relationships with distributors and retailers (these discussions are already underway and have influenced decision-making to date);
- **customize and develop new product lines** in response to distributor insights, market opportunities, and consumer demand;
- promote Arctic charr as a healthy protein and **a desirable alternative to salmon and trout**; and
- **highlight the environmental benefits** of Sapphire Springs Rockwood's advanced technology and land-based aquaculture practices.

The cornerstone of Sapphire Springs Rockwood advantage is deeply rooted in **a pure strain of Arctic charr** which has been under careful management for several decades.

The merging of genetically superior Arctic charr with an abundant supply of pure water, supported by a dedicated staff and the latest technology, makes for **a narrative that is unmatched by any Canadian producer of Arctic charr**.

With over **100 million people located within a 30-hour trucking window** of Sapphire Springs Rockwood, the company is well positioned to offer cost-effective, reliable distribution of a premium alternative to salmon and trout.

Additionally, an export plan has been developed to solidify our marketing efforts.

At the heart of our marketing, outreach, and relationship-building efforts—domestic and international—is **the ability to respond to market demand quickly**. We are investing in sophisticated processing equipment and innovative packaging solutions to keep us nimble. We will be positioned to provide what the market wants, when it wants it. We will set a new standard in the processing and distribution of fresh and frozen Arctic charr.

For Investors

Summary of opportunity for qualified Manitoba investors

- Class C preferred non-voting shares.
- When declared by the board of directors, priority annual cumulative dividends at 12%; dividend entitlements are not compounded.
- 45% of the amount of the investment is provided to the investor in the form of a non-refundable tax credit from the Province of Manitoba (the Small Business Venture Capital Tax Credit), based on provincial tax paid by the investor in the three years prior and ten forward years.
- On liquidation of company assets, holders are paid the redemption price of the shares (i.e., issue price) plus unpaid accrued dividends after payment to holders of Class A and Class B preferred shares (none of which are currently issued, but can be used for future planning).
- After three years from the issue date, Sapphire Springs Rockwood Inc. may redeem the shares for their issue price plus accrued and unpaid dividends.
- The shares are subject to restrictions set out in a unanimous shareholders agreement and voting trust agreement to be signed by investors as a condition to being issued shares.
- The shares may not be transferred for three years, subject to the limited exceptions set forth in the SVBCTC rules.
- After three years from the issue date, the shares will be converted to Class B common (non-voting) shares prior to an IPO, a sale of all shares of the company, or a sale of substantially all assets of the company (if any), based on the subscription price for the shares converted at the greater of the then fair market value of common shares or \$250,000,000.00 multiplied by .75 for an effective discount on conversion. On conversion, any accrued unpaid dividends are payable.
- After four years from the issue date, the Class C preferred shares then outstanding may be converted to Class B common shares based on the subscription price for the shares converted at the greater of the then fair market value of common shares or \$250,000,000.00 multiplied by .75 for an effective discount on conversion. On conversion, any accrued unpaid dividends are payable.
- The conversion ratio is adjusted to the extent of any stock splits / combinations / reclassifications / amalgamations, and the like.
- **Please note that the foregoing is a summary of the conversion mechanics included in the share terms for indicative purposes only and the actual mechanics for conversion included in the share terms should be reviewed.**

(see table on next page)

Anticipated Benefits from the Small Business Venture Capital Tax Credit (SBVCTC) Internal Rate of Return

Preferred Shares, 12% Dividend 4 Years to Conversion			Tax Credit	12.0% Dividend	Return
Year	Investment				
Year 0	2024	(\$250,000)			(\$250,000)
Year 1	2025		\$112,500	\$30,000	\$142,500
Year 2	2026			\$30,000	\$30,000
Year 3	2027			\$30,000	\$30,000
Year 4	2028	\$342,000 ¹		\$30,000	\$372,500
			\$112,500	\$120,000	\$325,000
				IRR	34.6%

¹ Please note this represents the \$250,000 original investment plus \$92,500 which represents the estimated value of the 25% discount of the converted common shares in year 4. This table is for illustrative purposes only and actual results may differ.

For more information about Manitoba's Small Business Venture Capital Tax Credit, visit: <https://www.gov.mb.ca/jec/busdev/financial/sbvctc/index.html>

For further information, access to the Data Room, and to discuss investment options, please contact:

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This Presentation contains forward-looking statements that reflect the Company's expectations regarding the business, prospects, and opportunities for the Company. All statements other than historical facts contained in this Presentation are forward-looking statements regarding the business strategy and plans and objectives of the Company. Words such as "believes", "expects", "may", "intends", "estimates", "anticipates", or similar words have been used to identify forward-looking statements.

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This Presentation contains future-oriented financial information ("FOFI") within the meaning of applicable securities laws. The FOFI has been prepared by our management to provide an outlook of our future activities and results and may not be appropriate for other purposes. The FOFI has been prepared based on a number of assumptions including the assumptions discussed and described as forward-looking statements and assumptions with respect to future revenue and margins. The actual results of our future operations and the resulting financial results may vary from the projections set forth herein, and such variation may be material. Our management believes that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments as of the date of this Presentation.