



1. What will the water source be? How much is required? How will it be treated?

We are currently looking at four potential sources for process water:

1. Tie-in to Buffalo Pound
2. Existing Regina aquifer
3. New Wellfield
4. Treated Wastewater from EPCOR

The Water Security Agency is facing a challenge due to the sudden demand for water from multiple industrial users concurrent with RLP's timelines. We are managing this in close conversation with both SaskWater and the Water Security Agency. Analysis is being conducted to determine the most sustainable water source that will not affect the residents of Regina's water supply, while also being economical for the project.

For effluent, similar technical discussions are ongoing with EPCOR and the City of Regina to determine options to treat our wastewater given anticipated characteristics. Similar to the water source, we are looking at four potential options to treat our wastewater:

1. Treat at EPCOR
2. Disposal Injection Wells
3. Separate Treatment Plant
4. Discharge into Wascana Creek

2. How confident are you in the capital cost for the plant? How sensitive is the business to operational costs?

The anticipated capital cost of the facility (\$350+M) appears low when you compare it to the capex of conventional wood pulp mills. However, we have a different process that requires less equipment and has an overall lower footprint than wood pulp mills. The business is somewhat sensitive to operating costs such as feedstock, utilities and freight. However, we have run multiple sensitivity analyses with potential investors and lenders and concluded that we have a resilient business model.

3. What makes Saskatchewan a good fit for Red Leaf Pulp?

The high density of wheat straw in the province makes it a logical fit from a feedstock perspective. In addition, finding a market for our co-products was paramount for Red Leaf and keeping the carbon savings of the project in Saskatchewan. Regina in particular was selected for our site based on existing infrastructure and transportation routes, access to workforce, high density of wheat straw in the area, and access to utility tie-ins.

4. Does Red Leaf have a strategy for Net Zero emissions?

Yes. We will be utilizing exhaust heat and creating biofuels as a secondary product to produce power to reduce the use of coal-fired power on Saskatchewan's grid. Combining these carbon advantages with the benefits of the low-carbon intensive pulp we will be producing, we have a plan to be a climate positive facility.

5. Is there anything currently in place with PCL?

Yes, but it is too early to comment on details. We have recently hired on Thomas Papst as our Project Director who will be leading the engagements with our EPC partner – more details will be available soon.

6. Will there be cogeneration on site?

We do not intend to build a boiler on site. Our preference is to explore a possible natural gas co-location opportunity within Saskatchewan.

7. Has Red Leaf considered the possible heat source in greenhouses since it relates to provincial food security?

Not at this time.

8. Does Red Leaf have any 3rd party accreditation regarding its GHG accounting?

Yes, we are working with NatureBank Asset Management to track our GHG emissions data as we progress. NatureBank was engaged by Red Leaf Pulp in March 2021 to conduct a cradle-to-gate Life Cycle Assessment, which concluded our pulp will have 280 kg CO₂e/ADMT of pulp. This equates to up to 83% lower embodied carbon emissions than comparable wood pulps, and even lower than other wheat straw pulps or recycled fibres.

9. Are there any truck route concerns regarding the Grand Coulee Road weight restrictions?

Yes, upgrade work is currently being assessed. Allnorth Consultants has also been engaged to conduct a Traffic Impact Assessment that will assess any potential impacts to the traffic generated by our plant to the existing transportation system.

10. How many acres and/or growers have reached out to us?

We have been in contact with 70 growers and custom operators who have expressed an interest in supplying straw, custom baling and hauling services and satellite straw storage locations. Currently, we have support for 1/3 of our annual requirements and interest continues to grow as producers learn more about this unique opportunity to diversify their operations.

11. What are your challenges to not having grower participation?

The main challenges to gaining grower participation in our project include:

- Informing growers that removing a portion of crop residue is not detrimental to long term soil sustainability based on scientific studies;
- Educating growers that the pulp market is a viable, global market with strong projected growth; and
- Red Leaf Pulp is different than previous projects that have utilized cereal grain straw as a feedstock based on industry experience, novel process design and intellectual property, and project partners.

Many studies have indicated that only 25-40% of total crop residue is removed by baling, and in most cases considering current crop rotation practices, there is enough crop residue remaining to support sustainable soil quality and health. The revenue generated from selling straw will provide growers with an additional source of net income combined with reduced residue management costs.

12. Many growers prefer to use straw as bedding or for other applications. How will you manage the desire of growers to use straw in other applications?

The dry year has reduced the amount of cereal grain and straw available, which has increased the demand for straw for the livestock and mushroom markets. However, many sources have determined that there is an abundant amount of cereal grain straw available in the region for all markets. Straw from less than 10% of the wheat and durum acres within a 150 km radius of our location is required for the project, leaving most of the cereal grain straw in the region available for other uses.