

SCOPE CARBON Announces LETTER OF INTENT FOR PROPOSED ACQUISITION OF FARM FLIGHT, INC. AND Expanding its Network in North America

Scope's partnership will align Scope and Farm Flight in developing industry-leading, analytical solutions in the carbon and agricultural markets

VANCOUVER, BC, April 27, 2023 /CNW/ -- **Scope Carbon Corp.** (CSE: SCPE; OTCQB: SCPCF, Frankfurt: VN8) ("**Scope**" or the "**Company**") a carbon mapping technology provider utilizing image recognition technology, is pleased to announce that it has entered into a non-binding letter of intent (the "**Letter of Intent**") to acquire Arizona-based Farm Flight, Inc. ("**Farm Flight**"), a pioneer of image based crop data and analytics in an arms-length all-share acquisition valued at approximately USD \$14,500,000 (the "**Transaction**").

Highlights:

- **Combining Complementary Operations and Expanding Scope's Services into the United States Agricultural Sector;** Farm Flight's advanced imagery and analytics capabilities are currently improving the efficiency of their agricultural clients. Scope is developing an AI driven imagery platform and when combined with Farm Flight's capabilities, the Company anticipates to be able provide an effective scalable program that improve the efficiency of the agricultural industry on a mass market scale.
- **Immediate Revenue;** Farm Flight is currently revenue generating with accretive year over year growth.
- **Broadens An Already Strong Management Team:** Sam Baker, the CEO of Farm Flight, will be appointed CEO and President of the Company upon completion of the Transaction. The parties also intend that three existing board members of Farm Flight will be appointed to the board of the Company bringing experienced business acumen, as well as strong industry and client relationships. These strengths are complementary to Scope's knowledge and technological expertise.

"After almost a year of working with Scope, we have never been surer that these are the right people to grow our combined businesses with and we believe the impact of the two companies can revolutionize the industry to new levels of efficiency and production capabilities," said Farm Flight's CEO, Sam Baker. "I believe that this Transaction will enable us to drive incredible change in agriculture and shape the future of food production. The potential of AI in this industry has been widely understood for a while now. We finally have the opportunity to make that vision a reality."

"Agricultural production of food is difficult. As a result, approximately 33 percent of total food wastage occurs during this stage for various reasons ranging from crop failures, over-regulation to inefficiencies in the process. Food wastage is not only an economic loss to farmers, producers, chain retailers and consumers, it also results in a net environmental harm. This acquisition marries the technological capabilities of our two companies and also expands Scope's operations into the agricultural sector at a time when food prices and food waste have hit unfathomable highs", said Scope's Non-Executive Chairman Sean Prescott. "Whilst our immediate focus is on increasing revenue growth and profitability, we believe our combined technologies can be applied to a range of green industries and that this acquisition represents an exciting chapter in the stories of our companies. We look forward to joining forces with Farm Flight and increasing the value to our respective shareholders."

Proposed Transaction Summary

Pursuant to proposed terms of the Transaction, Scope will acquire all of the issued and outstanding shares of Farm Flight in exchange for approximately 12,351,662 common shares of Scope (the "**Exchanged Shares**"). The Exchanged Shares, in addition to being subject to a four month hold, will be subject to a lock-up agreement which provides that 20% of the Exchanged Shares will be released 36 months after the completion of the Transaction, and thereafter release 20% of the Exchanged Shares in subsequent six month intervals until 100% of the Exchanged Shares are released.

In connection with the Transaction, it is expected that each of Farm Flight's optionholders and share purchase warrant holders will enter into an option surrender and cancellation agreement, and a warrant surrender and cancellation agreement, respectively. The Company and Farm Flight also anticipate restructuring certain indebtedness of Farm Flight into mutually satisfactory terms.

Board of Directors and Management

Upon completion of the Transaction, it is expected that Sam Baker, Farm Flight's CEO and President, will be appointed as CEO of the Company. Mr. Baker, together with two existing board members of Farm Flight will be appointed to the board of the Company, such that it will consist of six (6) directors. The Company will consider such further changes as may make sense for the business of the Company going forward.

Further Information

Further details about the Transaction will be provided in a comprehensive news release when the parties enter into definitive agreement with respect to the Transaction.

Investors are cautioned that any information released or received with respect to the Transaction in this news release may not be complete and should not be relied upon and that completion of the Transaction is subject to a number of conditions. Each party is conducting its respective due diligence and the contemplated Transaction remains subject to approval by the board of directors of each party as well as the Farm Flight shareholders. Subject to the completion of each company's due diligence to its sole satisfaction, the parties will negotiate and proceed to enter into a definitive agreement outlining the terms and structure of the transaction. The final transaction structure will be determined after each party has had the opportunity to receive legal, accounting and tax advice.

The securities to be issued in connection with the Transaction have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S promulgated under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Farm Flight, Inc.

Farm Flight is an image-based crop intelligence platform based in Tempe, Arizona. Farm Flight's integrative platform combines data collection services, UAS technology, and various machine learning products into a single solution for customers throughout the supply chain. The technology that Farm Flight creates enables regenerative agricultural practices, mitigates waste, and helps producers increase their yields.

About Scope Carbon Corp.

Scope is a carbon mapping technology company located in Vancouver, British Columbia and is focused on the commercial development of its AI-driven image software, which the Company intends to use for the identification and estimation of carbon-based lifeforms and carbon emissions, both key components in the identification of carbon credits.

The Company is currently focused on the commercial development of its technology (the "**Scope Analysis Platform**") through its research and development program, to expand the capabilities of the Scope Analysis Platform and provide a one-tool solution in carbon mapping.

For more information please visit [Scope Carbon Corp.](#) or follow along on social media.

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Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements that constitute forward-looking information (collectively, "**forward-looking statements**") within the meaning of applicable Canadian securities legislation. All statements in this news release that are not purely historical statements of fact are forward-looking statements and include statements regarding beliefs, plans, expectations, future, strategy, objectives, goals and targets, the prospects of Scope and Farm Flight, the potential benefits, if any, of Scope's partnership with Farm Flight, Scope's acquisition of Farm Flight, completion of the Transaction and associated approvals. Although the Company believes that such statements are reasonable and reflect expectations of future developments and other factors which management believes to be reasonable and relevant, the Company can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: "believes", "expects", "aim", "anticipates", "intends", "estimates", "plans", "may", "should", "would", "will", "potential", "scheduled" or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved.

Forward-looking statements involve known and unknown risks and are based on assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, including, but not limited to, those risks and assumptions described in the Company's prospectus dated August 10, 2022, a copy of which is available under the Company's profile on SEDAR at www.sedar.com. While Scope considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this press release. In addition, forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions, continued satisfaction of Canadian Securities Exchange requirements, product safety and recalls, regulatory compliance and risks associated with the Company's business. For more information on the risks, uncertainties and assumptions that could cause anticipated opportunities and actual results to differ materially, please refer to the risk factors set out in the Company's prospectus dated August 10, 2022, a copy of which is available under the Company's profile on SEDAR at www.sedar.com. Forward-looking statements are made as of the date of this news release and, unless required by applicable law, the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in these forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement.

The Canadian Securities Exchange has in no way passed upon the merits of the business of the Company and has neither approved nor disapproved the contents of this news release and accepts no responsibility for the adequacy or accuracy hereof.

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