Hubert Lau on TrustBIX's record annual revenue in 2021

In a recent InvestorIntel interview, Tracy Weslosky spoke with Hubert Lau, CEO of TrustBIX Inc. (TSXV: TBIX | OTCQB: TBIXF) about TrustBIX's recent milestones including an LOI to acquire a tracking solutions provider for high-value moveable equipment used in the agriculture industry and about reporting record annual revenue in 2021.

In this InvestorIntel interview, which may also be viewed on YouTube (click here to subscribe to the InvestorIntel Channel), Hubert Lau provided an update on TrustBIX's growth strategy to increase revenue and profitability as it moves towards the commercialization of its pilot projects. He went on to provide an update on TrustBIX's blockchain powered agri-food traceability and chain of custody solutions and explained how it helps companies support their ESG claims and helps build trust.

To watch the full interview, click here.

About TrustBIX Inc.

As an innovative leader in brand promise assurance, TrustBIX provides agri-food traceability and chain of custody value solutions. The Company's goal is to create a world where we trust more, waste less and reward sustainable behaviour by addressing consumer and agri-food business demands. The proprietary platform, BIX (Business InfoXchange system), is designed to create trust without compromising privacy through innovative, blockchain-derived use of technology and data. By leveraging BIX and its unique use of incentive solutions, TrustBIX delivers independent validation of food provenance and sustainable production practices within the supply chain – Gate to Plate®.

ViewTrak Technologies Inc., a wholly owned subsidiary, provides a suite of hardware and software solutions to the livestock industry in Canada, United States, Mexico and China, such as Auction Master Pro, Market Master, Feedlot Solutions and pork grading probes.

To learn more about TrustBIX Inc., click here

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Any projections given are principally intended for use as objectives and are not intended, and should not be taken, as assurances that the projected results will be obtained by the Company. The assumptions used may not prove to be accurate and a potential decline in the Company's financial condition or results of operations may negatively impact the value of its securities. Prospective investors are urged to review the Company's profile on Sedar.com and to carry out independent investigations in order to determine their interest in investing in the Company.

If you have any questions surrounding the content of this interview, please contact us at +1 416 792 8228 and/or email us direct at info@investorintel.com.

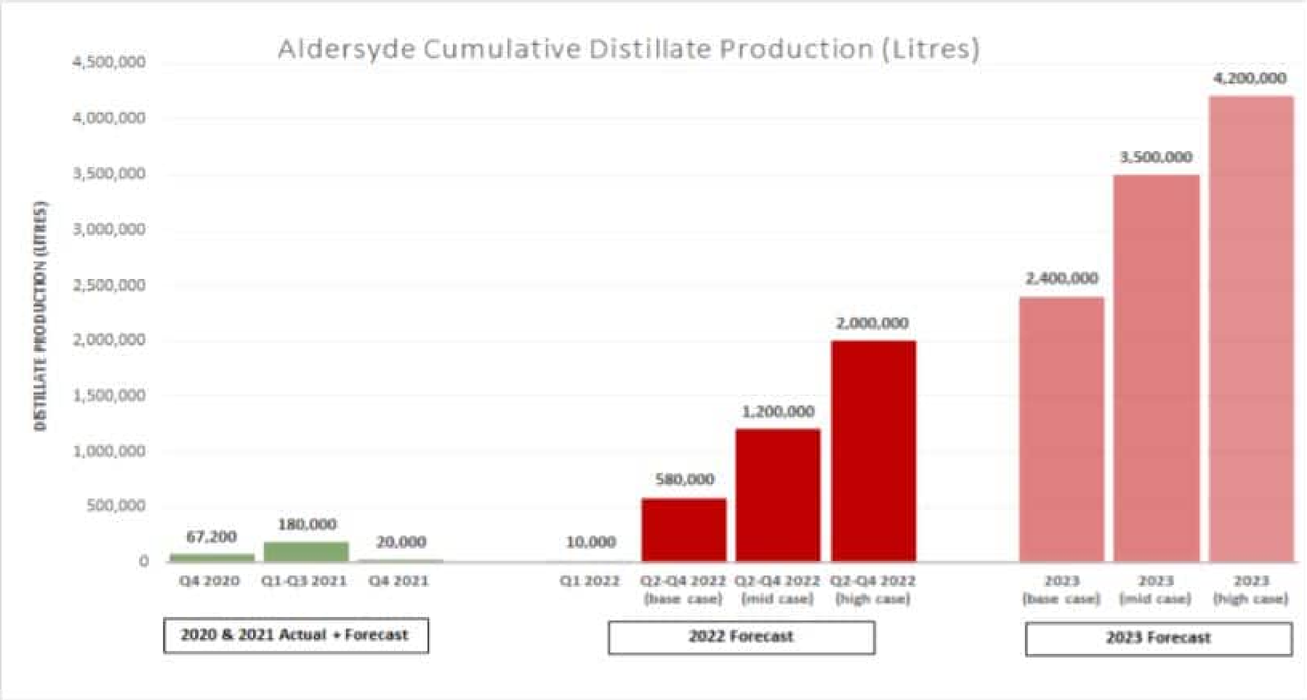
Is Cielo Waste Solutions, Waste-to-Fuel process, back on track?

Every so often a company that is on the leading edge of innovation or disruption will face a misstep or two along the way. It shouldn't come as a surprise to anyone, because if something is easy then everyone would do it, but that doesn't mean a company should be written off or discounted in any way for missing the mark along the way. There's a reasonable chance they are still ahead of their peers in the race for whatever it is they are pursuing, assuming they even have any peers yet. Additionally, as long as you don't blow something up or hurt anyone you probably learn as much, if not more, from any setbacks as you do from your successes. With that said, the market can be a very unforgiving place with little to no tolerance for anything less than perfection. So, if you are publicly traded while you are still perfecting your widget, it's possible to get put into the penalty box from time to time.

Back in July of this year Cielo Waste Solutions Corp. (CSE: CMC | OTCQB: CWSFF | FSE: C36) traded as high as $1.65 versus yesterday's close of $0.20. If that's not the penalty box, I'd hate to see what is. They may have overpromised and underdelivered, but that’s a risk you face when you are attempting to innovate with ground-breaking technology. Cielo has developed a proven and patented technology to produce high cetane (a measurement of the quality of diesel fuel where higher is better), ultralow sulfur renewable diesel, kerosene and naphtha fuels. Feedstock (also known as inputs) for the process include the world’s most available and inexpensive household, commercial and construction/demolition garbage, wet organics (compost), all plastics, paper, tires, cardboard, sawdust and wood. When one considers that most of this garbage ends up in a landfill where it can generate methane emissions while the Cielo process creates virtually no emissions, that makes this a pretty environmentally sound opportunity.

I won’t speculate on what the market didn’t like about what Cielo has done over the last six months, because what’s done is done and can’t be changed. As an investor, one has to look forward and decide from today on whether there is a reason to invest in Cielo. Regardless of whether you bought Cielo at $1.65 or not, if you still hold it today or are thinking about buying it for the first time, what’s happened up to this point in time is now water under the bridge. What is the investment thesis going forward?

On November 12th the Company put out an operational update and production forecast that has a pretty optimistic outlook. Albeit they need to regain their credibility with the market so it is very important that they can follow through with their latest projections. Key highlights from this press release include engineering modification and design being undertaken to reduce downtime and achieve steady-state production; commissioning and start-up of these modifications forecast for April 2022; and revenue generation. The sum of these parts has led to a fairly bullish outlook on distillate production at their Aldersyde facility and the potential that Cielo could be generating enough revenue to self-fund future growth.



Source

I noted above that you could look past a bump in the road if you are leading the competition. Well, there are currently no major waste-to-fuel alternative producers of diesel in North America, so having to wait a little longer for the Company to get things right might be inconvenient but not catastrophic. Another important investment consideration is that Cielo is in the right business at the right time with a favorable macro backdrop for carbon reduction and ESG investments. Cielo's process represents an alternative to carbon-intensive fossil fuel extraction and with an increasing societal push to end traditional fossil fuel development and extraction, Cielo can still maintain the benefits provided by hydrocarbons throughout the energy transition.

Now don't get me wrong, Cielo still has to show investors that they have gotten things back on course. The good news is they currently have enough funding to get them to that pivotal Q2/22 quarter which hopefully sees things back on track and progressing towards where the market envisioned the Company would already be. With a current market cap of $132 million, there appears to still be some optimism that Cielo can turn it around and achieve the promise of a sustainable waste-to-fuel producer. It’s hard to be an innovator, just ask Tesla’s Elon Musk. But as the world’s richest man I suspect he’s far less worried now about the challenging path it took him to get there.

ESG Alert: No matter how you slice it, the carbon credit world is big now and destined to get a lot bigger…

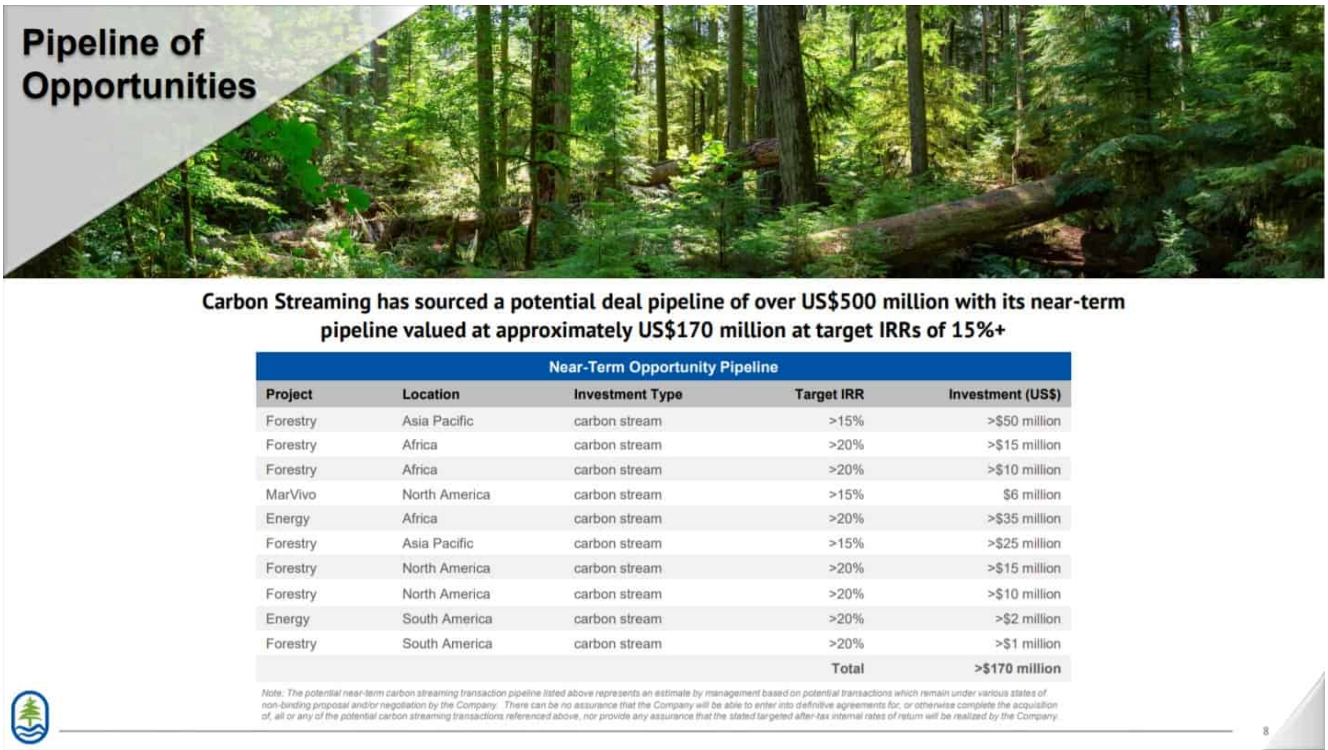
With the current focus on climate change and the need to reduce our global carbon footprint it would probably make sense to have an economic way for nations and companies to commoditize carbon in order to better track and deal with this problem. Well there is and it may come as a surprise to learn that there has been a fungible carbon emissions trading market since 2005 – the EU Emissions Trading System. Also known as EUAs (European Union Allowance), similar to other commodities, EUAs trade on the Intercontinental Exchange (ICE). The carbon emission contract trades in Euro on a per tonne of CO2 equivalent basis, with yesterday’s closing price at just over €52 and a 52 week range of €23 to just under €57.

There are many companies around the world, including financial institutions, utilities, fossil fuel companies, and others, that actually have dedicated carbon emission trading desks transacting things like EUAs and have done so for a long time. However, today we are going to look at a different perspective on this market, one would suggest a natural evolution for a commodity, a streaming company that gives investors exposure to the world of EUAs. Carbon Streaming Corp. (OTC: MXVDF) is a unique ESG principled investment vehicle offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. The Company intends to invest capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed.

You may have heard several companies around the world talking about setting net-zero emissions goals, in fact over 1,500 companies have announced plans to be net-zero by 2050 or sooner. Obviously, that is going to prove to be very difficult for those involved in resource extraction, manufacturing and even bitcoin mining that require more energy than is presently available on a renewable basis. But how will they get to net-zero? In the interim the plan is to offset the carbon they put into the atmosphere by buying offsets like EUAs. This can become a pretty complex circle of (carbon) life so we'll try to keep it simple here. You can break down carbon markets into two basic categories: compliance or regulated, where markets for carbon credits are created by the need to comply with a regulatory act; and voluntary, where corporations, governments and even individuals volunteer to offset their emissions by purchasing carbon credits.

No matter how you slice it, the carbon credit world is big now and destined to get a lot bigger. The estimated size for the compliance/regulated market was US$261 billion in 2020, a five-fold increase from 2017. The voluntary carbon market was a much more modest $320 million in 2019, although UN Special Envoy for Climate Action Mark Carney has said the voluntary market "needs to be a $50-100 billion per annum." And that's why Carbon Streaming has been raising capital and signing up projects to build up an inventory of carbon credits.

Since the start of 2021, Carbon Streaming has raised $46 million including $32.5 million in March and another $11.6 million in May. But the Company is not just sitting on that cash having recently announced commitments to invest in the MarVivo Blue Carbon Conservation Project in Magdalena Bay in Baja California Sur, Mexico, an exclusive term sheet to develop two carbon credit projects within the Bonobo Peace Forest located in the Democratic Republic of Congo and a strategic joint-venture partnership with an established First Nations business in British Columbia to source and finance investment opportunities in collaboration with First Nations and develop projects within their territories to combat climate change through the reduction of greenhouse gas emissions. In all, Carbon Streaming has sourced a potential deal pipeline of over US$500 million with its near-term pipeline valued at approximately US$170 million at target IRRs of 15%+.



Near-Term Opportunity Pipeline

Project	Location	Investment Type	Target IRR	Investment (US$)
Forestry	Asia Pacific	carbon stream	>15%	>$50 million
Forestry	Africa	carbon stream	>20%	>$15 million
Forestry	Africa	carbon stream	>20%	>$10 million
MarVivo	North America	carbon stream	>15%	$6 million
Energy	Africa	carbon stream	>20%	>$35 million
Forestry	Asia Pacific	carbon stream	>15%	>$25 million
Forestry	North America	carbon stream	>20%	>$15 million
Forestry	North America	carbon stream	>20%	>$10 million
Energy	South America	carbon stream	>20%	>$2 million
Forestry	South America	carbon stream	>20%	>$1 million
			Total	>$170 million

Note: The potential near-term carbon streaming transaction pipeline listed above represents an estimate by management based on potential transactions which remain under various states of non-binding proposal and/or negotiation by the Company. There can be no assurance that the Company will be able to enter into definitive agreements for, or otherwise complete the acquisition of, all or any of the potential carbon streaming transactions referenced above, nor provide any assurance that the stated targeted after-tax internal rates of return will be realized by the Company.

Source: Corporate Presentation

So unless you happen to have a working model of a cold fusion generator that you've been keeping from the world, carbon credits are going to be with us for a while and likely to become even more commoditized than they already are. Carbon Streaming represents one of the few opportunities to participate in this space in today's market without having to set up your futures trading account and transacting EUAs.

ESG investment Cielo Waste Solutions has plenty of catalyst(s) for a breakout

For two and a half months now Cielo Waste Solutions Corp. (CSE: CMC | OTCQB: CWSFF | FSE: C36) stock price has been trending sideways in a channel between roughly $0.70 and $1.10. Is opportunity knocking for a breakout? I was going to insert a catalyst joke in the context of Cielo's stock price and their underlying business but unless you are familiar with the inner workings of the fuel refining process it wouldn't make much sense and probably wouldn't be that funny. So we'll skip that and take a closer look at what's going on at this green manufacturer of renewable fuel. But trust me, catalyst is important to Cielo's proprietary process.

Cielo has ESG investment written all over it. The Company has developed a proven and patented technology to produce high cetane (a measurement of the quality of diesel fuel where higher is better), ultralow sulfur renewable diesel, kerosene and naphtha fuels. Feedstock (also known as inputs) for the process include the world's most available and inexpensive household, commercial and construction/demolition garbage, wet organics (compost), all plastics, paper, tires, cardboard, sawdust and wood. When one considers that most of this garbage ends up in a landfill where it generates methane emissions while the Cielo process creates virtually no emissions, this goes from a win-win to a win-win-win situation. Then there's the added bonus of reducing reliance on imported biofuels made from agricultural products. So reducing imports and leaving agricultural products for food gets us up to five wins by my math, hence my ESG investment comment.

What makes the story even more interesting from an investment standpoint is that the company believes it can be highly profitable while saving the world from all this garbage and methane. Obviously, the feedstock is relatively cheap but the finished product also fetches a higher market price than biodiesel because of the quality. You'll note that premium gasoline is significantly pricier than regular unleaded at the local gas pump.

Advantageous Economics Over Traditional Bio-Diesel

	Traditional Biodiesel	Cielo's Renewable Diesel
Production Cost/L	\$0.36 - \$0.50 (Avg \$0.43)	\$0.50
Feedstock Cost/L	\$0.85 - \$1.32 (Avg \$0.97)	\$0.06 - \$0.11
Total Cost	\$1.21 - \$1.82 (Avg \$1.40)	\$0.56 - \$0.61
Price in Alberta	\$1.25/Liter	\$1.67/Liter*
Gross Margin	-12 %	63.4 %

Source: Estimates by Cielo Waste Solutions.

Source: Cielo Corporate Presentation

Now the stock isn't cheap by any stretch of the imagination. The Company has yet to generate any meaningful revenue yet but has a market cap pushing $500 million, with 612 million shares outstanding based on yesterday's close of $0.79. However, that can change quickly if they are running their existing Aldersyde facility (Calgary, AB) at 1,000 litres per hour and grossing $1.67/l, all of a sudden that's $3.6 million of revenue per quarter which has already started. Growth plans include doubling Aldersyde to 2,000 litres per hour with commissioning sometime in Q4/21, while the Company foresees production from a facility in Dunmore (Medicine Hat, AB) by Q3/22 and commissioning of a new facility in Edmonton in Q4/22. On March 9th the Company announced an MOU to build, and commission, at no cost to Cielo other than internal costs, three renewable fuel facilities, in Winnipeg, Manitoba, Kamloops, British Columbia and a high-volume location to be determined in the United States. And on March 17th announced an MOU for Toronto, Ontario as the site for the first Ontario joint venture facility.

With all the development work, tweaking and fine tuning at the Aldersyde facility, Cielo has a scalable modular model which allows them to install a simple plant manufacturing system that can produce up to 4,000 liters per hour or 32 million liters per annum. Each plant costs approximately $50 million to build. Pay back on the capital investment is approximately $28 million annually based on EBITDA. Cielo plans up to 40 locations or plants in the next 5-7 years. I won't go through the math on that because my assumptions will probably be different than almost everybody else but the numbers start to get pretty big.

So there's the catalyst (I couldn't resist) for this stock to move. Although all of this isn't going to happen overnight, one has to consider:

- Cielo holds an exclusive global license from a related party with the process patents having been issued in both Canada and the US
- There are currently no major renewable diesel producers in Canada that can sell into the Canadian market.
- Canadian Regulators have mandated minimum blends of renewable diesel into all transportation grade diesel,

almost all of which currently is imported. Currently over 872 million liters per year and growing.
- Cielo is not reliant on government assistant or subsidies. Cielo’s model is profitable based on current market rates and prices for the sale of their fuels

I’m not a market timer by any stretch of the imagination. Will news come out today or tomorrow that drives this stock higher? Possibly, but I kind of hope not immediately because that wouldn’t look very good for my neutrality on the subject. Nevertheless, the story is interesting from numerous angles and the math is pretty compelling.