

THE PROBLEMS CREATED BY DROUGHT IN WESTERN STATES

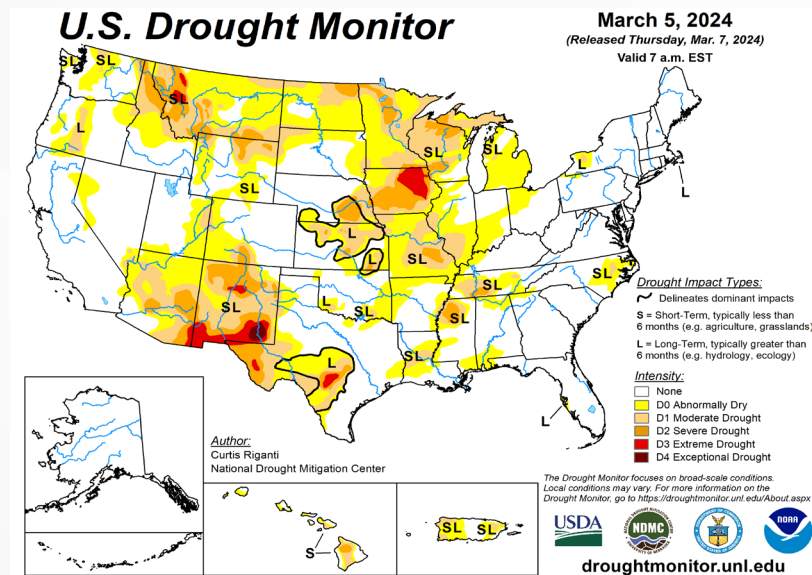
- Regions of the West confronting long-term growth have insufficient water supplies to support future population growth.
- Agricultural activities consume and divert up to 80% of water in the Western US each year.
- Increasing urban and environmental demands are fueling efforts to reallocate water from traditional uses to municipal use.

AN OPPORTUNITY TO BENEFIT FROM A SOLUTION

- We will leverage our expertise in water resource development to acquire a portfolio of agricultural water rights and transition them to municipal use.
- Our objective for the water rights portfolio is to profit in the future from the distinct price disparity between agricultural and municipal uses when developed.
- Funding for our acquisitions will be made possible through the issuance of a token secured by water rights.
- Each token offers direct ownership in a portfolio of increasingly scarce water rights in the Western United States.

PORTFOLIO

- The portfolio will favor properties that will maximize return over an intermediate and longer holding period.
- The method to acquire water rights at substantially below their assessed value utilizes a valuation methodology that considers factors such as the type of rights, water quality, and infrastructure costs.
- The portfolio's valuation will be periodically assessed using comparable water rights transaction price data to populate a formula-driven index.
- Portfolio valuation based on the proprietary index will continually measure completed water rights transactions in comparable markets in order to set a firm pricing structure.



THE VALUE OF REAL-WORLD ASSETS

- Real-world assets (RWAs) are tangible, physical assets, like real estate, bonds, or commodities that exist outside the digital realm.
- The digital certificates or 'smart contracts' that represent a RWA on the blockchain are impervious to alteration or replication and create a secure and transparent record of ownership.
- RWA tokenization is transforming traditionally illiquid assets like water rights to allow for greater participation in the market and potentially increased liquidity for these assets.

GOVERNANCE

- The WaterVault Token is sponsored and issued by a Foundation.
- Both the secured utility token and the Founder's tokens have capped supply.
- Founders' tokens are restricted by smart contracts to a cap on voting power, held to a lock-up period, and have performance-based rewards.
- Water Rights acquisitions and portfolio valuation are governed by smart contract formulas.
- Changes to the token's utility, distribution, or redemption rights is managed only through vote of secured utility token holders.

TOKENOMICS VALUATION OBJECTIVES

Supply

- The WaterVault Token mint is limited to 100 million tokens
- Tokens are issued only for acquisition of water rights

Demand

- High-growth areas are prioritized for development, influencing water rights pricing
- Token allows access to sector for vast majority of institutional type investors

Distribution

- Initial distribution will be limited to qualified institutions, hedge funds, family offices & high net worth investors
- Tokens will only be issued if trading is at or above net asset value of the portfolio established by the Index

Utility

- The valuation of the Token will rely on a proprietary index of comparable water rights transactions
- The Liquidity Reserve serves as a mechanism to ensure the stability of the market

Incentives

- Acquisitions are made opportunistically, with the current market value being 100% higher than costs
- Initial investors will receive favorably priced warrants to purchase Tokens

EXPERIENCED WATER RESOURCES TEAM MEMBERS

- Top tier management team of recognized water industry/natural resource leaders with an average of 25 years' experience per team member.
- In 2015 FRH2O began the pursuit of land and water rights in Colorado, Nevada, California and Texas.
- FRH2O now has 15.5 billion annual gallons of water rights in the project pipeline and is expected to double by years end.

PORTFOLIO ACQUISITION SCENARIO

Water Rights Acquired in Acre-Feet	25,000
Municipal Use Valuation less Development cost	
Use Type	Municipal
Qty in Acre Ft.	25,000
Price per Acre Ft.	\$32,500
Value	\$812,500,000
Ag-Muni Arbitrage Spread	\$406,250,000
Cash	\$81,250,000
Governance tokens	\$81,250,000
Total Acquisition Cost	\$162,500,000
Total Tokens Released from Treasury	16,250,000
Total Governance Tokens Released from Treasury	81,250

Foot Notes

1. The price per acre-foot is based on appraisal
2. Municipal Future Value (less development costs including administrative fees)
3. Governance Tokens issued are based on the net acquisition cost between cash and percentage of arbitrage spread with value set at convertibility equal to net asset value after tokens recover cash input

Annual Asset Value

Year	Token Value	Portfolio Value
Year 1	\$25.00	\$406,250,000
Year 2	\$35.00	\$487,500,000
Year 3	\$43.75	\$568,750,000
Year 4	\$59.06	\$650,000,000
Year 5	\$73.83	\$731,250,000
Year 6	\$95.98	\$804,375,000

See Assumptions on Following Page

WATER RIGHTS PORTFOLIO: UNDERLYING ASSUMPTIONS

This document outlines the key assumptions underpinning the financial forecast for the water rights portfolio. These assumptions guide investment decisions and valuation methodologies.

ACQUISITION STRATEGY

Formula-Driven Pricing: A pre-defined formula establishes a maximum purchase price for water rights. This formula ensures acquisitions remain below a specific percentage (e.g. 50%) of comparable transactions within the relevant jurisdiction.

Qualified Appraisal Verification: All potential acquisitions undergo a rigorous verification process by a qualified water rights appraiser. This verification confirms alignment with the acquisition formula's criteria, mitigating potential overvaluation.

PORTFOLIO VALUATION AND RETURN

Proprietary Valuation Index - A proprietary index tracks portfolio value after acquisition: This index incorporates factors influencing water rights value, including the potential price increase associated with transitioning from agricultural to municipal use. However, the model acknowledges the existence of other relevant valuation factors and incorporates them as necessary.

Intermediate and Long-Term Focus: The portfolio prioritizes water rights with strong potential for value appreciation over an extended holding period.

VALUE-BASED ACQUISITION AND PORTFOLIO REPORTING

Discounted Acquisition Approach: The acquisition strategy targets water rights valued below their assessed valuation (e.g. tax assessment). This discount is achieved by considering factors such as the specific rights granted by the water source, water quality, and potential infrastructure development costs.

Portfolio Revaluation - Periodic Market Data Integration: The portfolio's valuation undergoes periodic assessments. These assessments integrate comparable water rights transaction data from reputable sources into the formula-driven index, ensuring a market-reflective valuation.

Risk Awareness: The assumptions outlined above provide a solid foundation for portfolio management. However, it is crucial to acknowledge potential risks and uncertainties. These include changes in water regulations, market fluctuations, and limitations inherent to any valuation methodology. Continuous monitoring of these factors allows for proactive adjustments to the portfolio strategy.