



Carbon Done Right Developments Inc. (formerly Klimat X Developments Inc.)

Management's Discussion and Analysis
For the year ended December 31, 2023 and 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIS OF PRESENTATION AND DESCRIPTION OF THE COMPANY

July 12, 2024 - The following Management's Discussion and Analysis ("MD&A") of financial condition and results of operations for Carbon Done Right Developments Inc. and its subsidiaries ("Carbon Done Right" or the "Company" which includes references to "we", "our", "us", "its"), is a review of the operations, current financial position and condition for the year ended December 31, 2023 and should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements and introduces financial measures which are not defined under IFRS aimed at helping the reader in making comparisons to metrics similarly disclosed by industry peers. Readers are cautioned that the MD&A should be read in conjunction with the Company's disclosure under "Non-GAAP Measures" and "Forward-Looking Information" included at the end of this MD&A.

DESCRIPTION OF BUSINESS

Carbon Done Right, headquartered in Vancouver, British Columbia, Canada, is a carbon exploration and development company with global reach into jurisdictions with the highest production potential from forestry and marine carbon sequestration projects.

The Company's focus is on mobilizing investment dollars to develop nature-based solutions on an unprecedented scale drawing on the experience of some of the most senior executives in the mining and resource sectors and emerging market leaders.

Carbon Done Right is in the business of developing validated and verified carbon credits from afforestation and reforestation of degraded land areas and marine ecosystems, including mangroves, for sale into international voluntary carbon markets. In contrast to streaming and royalty companies, Carbon Done Right works upstream as a direct owner and operator of projects, addressing a key supply constraint in the current market and the rapidly growing demand for carbon credits in global voluntary and regulated markets. Carbon Done Right intends to achieve this by investing in the exploration, restoration and management of terrestrial and marine systems that can either be protected to enhance the sequestration of greenhouse gases or restored from a degraded status to fully productive ecosystems. Carbon Done Right will draw on the experience of a senior executive team and board that provide access into key target jurisdictions through relationships in the mining and natural resources sectors, combined with decades of experience in carbon markets. Carbon Done Right plans to deploy capital at risk under various arrangements (including cooperation, assignment and production sharing agreements) with large landowners and governments in various suitable jurisdictions around the world. Carbon Done Right secures pre-purchase and offtake agreements with funds, commodity traders, and large final emitters to finance the development of Nature Based Solutions.

Carbon Done Right was incorporated under the British Columbia Companies Act as a Specialty Limited Company on November 21, 1963. In July 1998, the Company continued to the Cayman Islands. In February 2018, the Company continued back to British Columbia. Prior to the COB (as defined below), the Company's principal business activities historically included acquiring options to explore and develop mineral properties, internationally. From a period beginning in 2003 and ending on closing date of the COB



(as defined below), the Company was inactive with limited operations, and its common shares ("Common Shares") were listed on the NEX board of the TSXV ("NEX") under the symbol "ERL.H".

CARBON STREAMING CONTRACTS

Sierra Leone Transaction

On June 29, 2022, Carbon Done Right acquired an assignment of a minimum of 51% of the carbon credits to be generated by the operations of Rewilding Maforki Ltd. ("RML") in Sierra Leone, pursuant to agreements entered into by the Company on February 25, 2022, in consideration for 7,500,000 Common Shares issued at a \$0.14 per share ("RML Consideration Shares") for consideration in the amount of \$1,050,000 (the "Sierra Leone COB Agreement") and the prepayment agreement between Carbon Done Right, RML and Aristeus Projects Limited, as amended on June 24, 2022, to effect the transaction ("Sierra Leone Transaction") and provide for the Advance ("Sierra Leone Prepayment Agreement") to Aristeus Projects Limited.

RML, an entity incorporated under the laws of Sierra Leone on November 15, 2021 (owned by the Company's Director of Operations), has engaged chiefdoms in Sierra Leone located at Malal, Rokon, Gbonkohyeni and Maforay communities (together referred to as the "Maforki Project") and has entered into related multi-stakeholder agreements with such chiefdoms for approximately 25,000 hectares of land. RML has also entered into agreements between RML and the applicable landowners in Malal, Rokon, Gbonkohyeni and Maforay communities in Sierra Leone located at the Maforki Project ("Individual Landowner Agreements") for approximately 8,000 hectares of land in Sierra Leone located at the Maforki Project.

On June 15, 2023, the Company finalized its binding commercial terms with BP Carbon Trading Limited to pre-purchase carbon credits from the Sierra Leone Rewilding Project.

During the year ended December 31, 2023, RML transferred the remaining 49% to the Company (the Company now own 100%) for further advances of US\$1,270,000 (\$1,721,227) and an additional commitment on advances of US\$2,200,000.

Yucatan Transaction

On June 29, 2022, Carbon Done Right acquired an assignment from Compania Mexicana de Captacion de Carbon ("CMCC") of all its rights and interests to develop and market carbon credits under its existing contract with the Government of the State of Yucatan in Mexico in exchange for aggregate consideration of \$50,000, of which \$25,000 was paid as a non-refundable deposit upon execution of the agreement and \$25,000 was paid additionally as at December 31, 2022, which became due upon completion of the relisting requirements of Carbon Done Right on July 19, 2022. The total consideration was recorded as business development consulting fee as the transaction has not closed as at December 31, 2022. The current agreement that CMCC has in place with the Government of Yucatan expired in February 2024, there is currently ongoing discussions to extend the agreement.

The assignment of the Yucatan Contract to Carbon Done Right remains conditional upon approval of the Government of the State of Yucatan, Mexico ("Government Consent").

Pursuant to the Yucatan Contract, CMCC has the right to 5% of the net value of the carbon credits successfully sold (or the equivalent to the final transaction price) resulting from the determination, development, execution, structuring, marketing, and selling of such as provided in the Yucatan Contract (the "Original Commission"). On June 29, 2022, the Company acquired 33% of the Original Commission



assigned and payable to Carbon Done Right on a go-forward basis, in consideration for 7,250,000 Common Shares issued at a fair value to Canvas Impact Advisors Ltd. ("Canvas"), a consulting firm owned by Dr. James Tansey (Company's Chief Executive Officer).

Pursuant to a share repurchase agreement, Dr. James Tansey and Canvas dated June 6, 2022 (the "Share Repurchase Agreement"), the Company has the option to repurchase these Common Shares from Canvas at \$0.01 per Common Share if Government Consent has not been obtained 120 days from the date of the agreement. On October 27, 2022, the repurchase options lapsed and the fair value of \$1,050,000 was recorded as share based compensation and share capital for the year ended December 31, 2022.

Forest and Mangrove Protection Ltd. ("FMPL")

On August 15, 2022, the Company entered into a carbon credit streaming agreement with FMPL, a Company owned by the Company's Director of Operations, to acquire carbon credit development rights for approximately 32,000 hectares of land located in Sierra Leone. Pursuant to the acquisition, the Company will assume FMPL's cost of the land rights acquisition and all carbon credit development costs associated with implementing a large-scale rewilding project under the relevant Verra afforestation/reforestation protocol, in exchange for the carbon credit rights and other revenues generated through the sale of timber and other biological assets produced from, or in connection with the project. The cost of acquisition was \$898,269 (US\$655,912).

AGREEMENT WITH THE GOVERNMENT OF SURINAME

On April 25, 2023, the Company announced it has signed a binding agreement with the national government of Suriname to develop mangrove carbon credit and agroforestry projects. The Company has built a presence in Suriname and is actively conducting fieldwork to establish project size and feasibility.

CARBON CREDIT OFFTAKE TRANSACTION AGREEMENT

On June 15, 2023, the Company signed a pre-purchase agreement with BP Carbon Trading Limited ("BP"). The terms are as follows:

- The pre-purchase agreement is intended for the development of the first 5,000 ha of native species planting, with 1,000-1,200 ha of planting anticipated to be completed by the end of the 2023 season and with the PDD to be validated in 2023.
- Under the pre-purchase financing structure, US\$2.5m of investment is prepaid in exchange for 165,000 carbon credits. The financing will be provided upon certain milestones are achieved:

Milestone	Milestone details	Amount (US\$)
1	<ul style="list-style-type: none"> Carbon sequestration model Draft project design Account set with Verra Cash forecast draft 	\$500,000 (received in 2023)
2	<ul style="list-style-type: none"> Completion of certain process with relevant community Carbon rights and land tenure of at least 5ha Preparation of at least 1000ha of land with certain target survival rate and blanking Revised cash forecast draft 	\$500,000 (received in 2023)
3	<ul style="list-style-type: none"> Certain carbon credits certification documentations reviewed and approved by BP Certain mixed species planted on at least 1,000ha of land with certain target survival rate and blanking. Revised cash forecast draft Site visit by BP 	\$500,000 (received in 2024, subsequent to 2023).
4	<ul style="list-style-type: none"> Preparation of an additional 1000ha of land with certain target survival rate and blanking Revised cash forecast draft 	\$500,000 (\$250,000 received in 2024, subsequent to 2023).
5	<ul style="list-style-type: none"> Certain mixed species planted on at least 1,500ha of land with certain target survival rate and blanking. Complete certain reports with an expected generation of 3,000 carbon credits Verification site visit schedule for Q1 2025 Revised cash forecast draft 	\$500,000

- Upon the delivery of 165,000 carbon credits, BP has the option to purchase the carbon credits from the first 5,000 ha of planting at 20% discount to a mutually agreed carbon index price that reflects the scale and volume of high-quality reforestation projects in the market. Upon completion of the delivery of 165,000 carbon credits, BP has first right to purchase any further carbon credits generated up to 1 million carbon credits
- BP has a time limited Right of First Offer to pre-purchase credits from the remaining 20,000 ha within the project area.
- In the event of a non-delivery:



- If no carbon credits were transferred by December 31, 2028, BP may elect to terminate the agreement and required repayment of the payments advanced. This is to be repaid in cash by the Company within 5 business days of written notice by BP. The Penalty will be adjusted by applying an interest based on EFFR + 6% from the first prepayment date to default date.

Year	Carbon credits
2022-2024	26,896
2025	34,293
2026	40,452
2027	43,365
2028	19,994

- In the event that the Company failed to delivery 165,000 carbon credits by December 31, 2033, the Company can provide alternative units (e.g. carbon credits sourced from a 3rd party) by June 1, 2034. If BP rejects or if the Company fails to deliver alternative units by June 1, 2034, then BP will be compensated In the amount of US\$30 per carbon credit shortfall.

During the year ended December 31, 2023, the Company received payment of \$1,350,022 (USD \$1,000,000) from BP which has been presented as a derivative liability in these financial statements (note 10).

During the year ended December 31, 2023, the Company received payment of \$1,350,022 (USD \$1,000,000) from BP which has been presented as a derivative liability in these financial statements.

The BP agreement was considered as a contract to buy or sell non-financial items that can be settled net in cash or another financial instruments; as a result, it was recorded as a derivative liability. There was inadequate evidence to support the own use exception.

As the carbon credits development is still in early stage as at December 31, 2023, the fair value was concluded to be the net present value of the repayment of agreement in cash in the event of a default. As a result, the proceeds were considered as an interest free loan. For initial measurement, the Company discounted the repayment amount based on prevailing market rates of similar instruments with a similar credit rating. Upon the conclusion of such analysis, the discounted face value of \$1,350,022 was \$870,812, based on a discount rate of 30%, annual default interest penalty rate of 11.33% and repayment date of December 1, 2028. The Company was unable to find level 1 inputs to calculate the fair value (e.g. active market for an identical liability); as a result, level 3 inputs were used. Consequently, the difference of \$450,688 between the face value and fair value was reclassified to deferred liability. An increase or decrease in 1% of the discount rate from 30% would decrease or increase the derivative liability by approximately \$22,000.

The remaining \$28,522 was recorded as gain in foreign exchange impact.



OUTLOOK

Carbon Done Right currently has projects under development in Sierra Leone, Guyana, Suriname and the State of Yucatan in Mexico, and is actively developing projects in other key jurisdictions. As of the date of this report, Carbon Done Right is proud to report the following highlights:

- Sierra Leone project team has completed the first 400 hectares of reforestation in the Maforki Kingdom of Sierra Leone. Planting activity started in July 2022 with the completion of the relisting of the Company and this is a major accomplishment. This area is equivalent to almost 750 soccer pitches. Over the lifespan of the project, this area will produce up to 200,000 tonnes of carbon credits. A very significant ramp up in planting activity in 2023, which also generates significant economic and employment benefits to local rural communities. The Company takes a world-leading approach to securing consent over the planting activities and to economic benefit sharing.
- Carbon Done Right has secured rights to almost 60,000 hectares of reforestation in the country of Sierra Leone and is also developing a large-scale programme for protecting and restoring degraded mangrove areas along the coastline covering tens of thousands of hectares. The company has completed extensive feasibility work in the mangrove areas for both conservation and restoration projects.
- The Company is also active in Guyana and Suriname and is making very strong progress in new project development across all other jurisdictions.
- Carbon Done Right received a feasibility study confirming scope of Sierra Leone project with near term goal of securing further land and carbon rights of 75-100,000 hectares.
- The Company continues to make strong progress in Suriname, focusing on a mangrove restoration project with the national government.
- The Company remains confident in the approach of working upstream to secure and de-risk project sites using equity. The Company has made strong progress in securing investor interest in pre-purchase agreements that should help fund project capital expenditures.

Carbon Done Right is pursuing a strategy to develop financing, pre-sales and offtake agreements with large buyers seeking to meet the growth in demand for credits anticipated by the Task Force on Voluntary Carbon Credits.

RESULTS OF OPERATIONS

The following table summarizes selected financial data reported by Carbon Done Right for the year ended December 31, 2023, 2022 and 2021. The information set forth should be read in conjunction with the audited consolidated financial statements prepared in accordance with IFRS, and the related notes thereon. All amounts are in Canadian dollars, unless otherwise specified.



<i>(Canadian \$)</i>	Note	December 31 2023	December 31 2022	December 31 2021
Revenue		174,107	68,587	-
Cost of goods sold		(227,306)	(172,999)	-
		(53,199)	(104,412)	-
Expenses				
Consulting fees		(2,230,028)	(2,570,477)	(221,003)
Professional fees		(515,281)	(237,241)	(214,828)
Amortization		(126,788)	(60,914)	-
Marketing and investor relations		(591,876)	(215,414)	(8,762)
Listing and filing fees		(31,078)	(82,013)	(15,654)
Office and administration		(463,582)	(221,989)	(34,375)
Travel and corporate development		(74,578)	(109,958)	(52,430)
Share-based payments	11c	(79,362)	(1,221,360)	(1,522,000)
Total expenses		(4,112,573)	(4,719,368)	(2,069,052)
Other expenses				
Finance costs		(296,335)	(134,786)	-
Gain on settlement of accounts payable		-	95,353	-
Write-off carbon credit streaming agreement		(338,463)	-	-
Foreign exchange loss		12,139	(9,671)	-
Net loss		(4,788,431)	(4,872,884)	(2,069,052)
Other comprehensive (loss) income				
Cumulative translation adjustment		26,481	(98,359)	-
Net loss and comprehensive loss		(4,761,950)	(4,971,243)	(2,069,052)
Net loss attributable to:				
Owners		(4,499,721)	(4,749,824)	(2,069,052)
Non-controlling interest ("NCI")		(288,710)	(123,060)	-
		(4,788,431)	(4,872,884)	(2,069,052)
Other comprehensive income (loss) attributable to:				
Non-controlling interest ("NCI")		26,481	(98,359)	-
		26,481	(98,359)	-
Weighted average shares outstanding		88,519,138	63,099,902	38,490,400
Loss per share (basic and diluted)		(0.05)	(0.08)	(0.05)

During the year ended December 31, 2023, the Company incurred a net loss of \$4.8M (2022 - \$4.9M, 2021 - \$2.1M). The current year's losses were fairly consistent with prior year's, with the slight decrease being attributable to decreased business and operational activities during the current period. More specifically, the following contributed to the movements noted:

- i) Cost of goods sold was \$227k in the current year vs. \$173K in the prior year. This is in line with higher revenues from coconuts during the period as a result of increased efficiencies in



- operations. As the change of business occurred in fiscal 2022, there were no revenue or cost of sales in fiscal 2021.
- ii) Depreciation expense was \$127k in the current year vs. \$61K in the prior year. This increase is due to the additions in property, plant, and equipment during the period. As the change of business occurred in fiscal 2022, there were no depreciation expense recorded in fiscal 2021.
 - iii) Marketing expense was \$592K in the current year vs. \$215K in the prior year. This movement was the result of the increased efforts to building awareness of the Company after the COB and during its second year of operations. This began in the middle of fiscal 2022. In the fiscal 2021, there was very little marketing efforts as the Company was just a shell company.
 - iv) Office and administrative expenses were \$464K in the current year vs. \$222K in the prior year. Fiscal 2023 was the first year of full operations since the change of business in fiscal 2022. Fiscal 2021's office and administrative expense was even lower at \$34k as it was just a shell company at the time.
 - v) The Company recorded finance costs of \$296k in the current year vs. \$135K in the prior year. This is predominantly due to higher lease accretion during the period. As the change of business occurred in fiscal 2022, there were no finance expense recorded in fiscal 2021.
 - vi) The Company recorded a \$338k impairment expense related to Infinitem Energy PTE Ltd. This amount was \$nil in fiscal 2022 and 2021 as there were no write offs.

Financial condition

The following table compares selected financial information as of:

	December 31, 2023	December 31, 2022	December 31, 2021
Total assets	11,508,025	11,906,529	165,758
Total non-current liabilities	3,539,651	1,724,517	-
Dividends granted	-	-	-

Total assets at December 31, 2023 consisted predominantly of right of use assets of \$5.1M and carbon credit streaming agreements totaling \$5.6M. Non-current liabilities consist of \$1.8M in lease liabilities, \$871K in derivative liability, \$451K in deferred liability, and a \$392k convertible debenture. Lease liabilities increased during the year as a result of a new lease in Suriname. Derivative liability and deferred liability arose during the year due to the Company entering into a carbon credit pre-purchase agreement on July 18, 2023. Total assets and liabilities in fiscal 2021 were nominal as it was a shell company.

SUMMARY OF QUARTERLY INFORMATION

The table below summarizes Carbon Done Right's quarterly financial and operational highlights for the three months ended December 31, 2023, as well as the previous seven quarters. The selected financial information is derived from the Company's consolidated financial statements, prepared in accordance with IFRS. All amounts are in Canadian dollars, unless otherwise specified.



<i>(Canadian \$, except per share amounts and percentages)</i>	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Net loss	(1,164,177)	(1,415,670)	(1,321,689)	(886,895)	(1,890,580)	(1,642,838)	(1,013,945)	(325,522)
Net loss - NCI	(110,901)	(13,362)	(96,740)	(67,707)	(62,757)	(60,303)	-	-
Net loss – Shareholders of Company	(1,053,276)	(1,402,308)	(1,224,949)	(819,188)	(1,827,823)	(1,582,525)	(1,013,945)	(325,522)
Revenue	45,424	43,737	39,293	45,653	40,489	28,098	-	-
Total assets	11,508,025	12,465,961	10,530,507	11,200,107	11,906,529	20,889,270	23,364,357	9,703,335
Working capital surplus (deficiency) ⁽¹⁾	(1,976,887)	(1,546,952)	(717,977)	776,681	1,857,000	3,619,234	6,498,392	(45,245)
Non-current debt ⁽¹⁾	3,539,651	3,510,511	1,755,906	1,778,871	1,724,517	2,168,041	2,168,041	-

(1) Non-GAAP measure as defined in the Non-GAAP measures section of this MD&A.

Q4 2023 in comparison to Q3 and Q2 2023

Q4 2023 net losses was lower than historical quarters in 2023 and can be attributable to lower expenses incurred towards share based compensation expense, as well as professional fees during the second year of operations after the COB. This is due to the overall increased business activities carried out during the current period. Total assets decreased during the period predominantly due to the write off the carbon credit streaming agreement with Infinitum Energy PTE Ltd. which offsets the increase in assets brought about by a new lease in the year. Non-current debt increased during the period as a result of the new lease as well as the deferred revenue from the carbon credit prepurchase agreement.

Q4 2023 in comparison to Q1 2023, Q4 2022, Q3 2022, and Q2 2022

The Company continues to run a net loss in the current quarter as the Company has continued to incur expenses growing our global carbon presence. The major contributors to this are consulting, marketing, and professional fees. Prior to Q3 2022, the Guyana coconut operation did not exist. As such, there are no revenues during Q2 2022. Total assets in Q2 2022 were the result of the capital raise however the funds were still in escrow until the COB occurred. Total assets in Q2 2022 were the result of the COB being approved by the TSX-V and the multiple acquisitions that occurred. The significant decrease in total assets from Q2 2022 to Q3 2023 was the finalization of the purchase price allocation and the consideration value paid for the assets. Working capital following the COB has slowly declined as the Company has deployed the capital it had raised on various initiatives in the global carbon space as we continue to develop our business. Non-current debt increased during the period as a result of the new lease as well as the deferred revenue from the carbon credit prepurchase agreement.

Q4 2023 in comparison to Q1 2022 and all prior quarters presented

Prior to Q1 2022, the Company operated as a shell company. The Company had cash from equity financings and incurred general corporate overhead costs. There were no operations prior to the COB.

In Q4 2023 the Company incurred significantly higher consulting and professional fee expenses offset by lower share based compensation expenses driving a much lower net loss. Non-current debt in the current quarter is associated with the long term PTHL land lease.



CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

<i>(Canadian \$)</i>	Year ended December 31,		
	2023	2022	2021
Net cash flow used in operating activities	(2,702,125)	(4,036,776)	(352,839)
Net cash flows used in investing activities	(1,944,143)	(3,278,168)	-
Net cash flow from financing activities	2,484,067	9,468,869	-
Increase (decrease) in cash and cash equivalents	(2,162,201)	2,153,925	(352,839)
Cash and cash equivalents, beginning of year	2,318,750	164,825	517,664
Cash and cash equivalents, end of year	156,549	2,318,750	164,825

As at December 31, 2023, the Company's working capital deficiency was \$2.0 million (2022 – \$1.8M surplus, 2021 - \$170k deficiency). The increase in the working capital deficiency from prior year was driven by decrease in cash (due to operational spending) and increase in accounts payable (for cash management). Fiscal 2021's working capital deficiency balance was significantly lower as it was just a shell company.

Cash flow used in operating activities in the current year was \$2.7 million vs. \$4.0 million in 2022, \$400K in 2021. The significant decrease in cash flow used in operating activities from 2023 to 2022 was predominantly the result of the increase in non-cash operating working capital changes related to prepaids and accounts payable. Fiscal 2021's cash flow used was significantly lower as it was just a shell company.

Cash flow used in investing activities during the current year was \$1.9 million vs. \$3.3 million in 2022, there were no investing cash flows in the comparative year 2021. The decrease is due to less investing activities in the current period relating to advances to the Sierra Leone project.

Cash flows from financing activities in the current year were \$2.5 million vs. \$9.5 million in 2022, there were no financing cash flows in 2021. This is due to the private placement proceeds in 2022 which were significantly lower in the current period. Financing activities are expected to fluctuate year over year.

The Company's strategy is to carry a capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of any identified business opportunities and to maintain a flexible capital structure for the benefit of its stakeholders.

Carbon Done Right considers its capital structure to include working capital, debt, lease liabilities and shareholders' equity (deficit). The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, enter into joint venture arrangements, acquire or dispose of assets and adjust capital and operating expenditures to manage its current and projected available capital.



Share capital

Carbon Done Right had the following outstanding Common Shares and equity instruments as at the date of this report:

	Common Shares	Stock options	Warrants
As at December 31, 2023	94,060,894	3,500,000	7,163,233
Stock options granted	-	-	-
Share issuance – debt settlement	301,563	-	-
Share issuance – option exercise	337,500	-	-
As at date of report	94,699,957	3,500,000	7,163,233

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Carbon Done Right’s objectives will be pursued in conjunction with its commitment to participating in a circular economy and by fulfilling the Company’s environmental, social and corporate governance (“ESG”) values.

E – Projects are focused on nature-based solutions, involving both conservancy and restoration projects to generate carbon credits and reduce greenhouse gas emissions;

S – The Company operates as a community-focused business, focusing on partnering with local indigenous groups including as hosts for its operations and as workforce participants; and

G – The Company is committed to strong governance practices in its current operations and in the planned growth and development of nature-based solutions. Carbon Done Right is dedicated to developing a sustainable business through collaboration with stakeholders, communities, local indigenous groups, employees and contractors, customers, and investors and through responsible development, disciplined asset management, financial strength and resiliency, and the capacity to operate and grow sustainably.

Carbon Done Right is committed to maintaining meaningful and collaborative relationships in the countries, regions, and communities in which it operates, with a key focus on working with indigenous groups, who are integral to their local communities and environment and who will make up a significant percentage of the project level workforce.

RISK ASSESSMENT

There are a number of risks facing Carbon Done Right. Some of the risks are common to all businesses while others are specific to the sector within which Carbon Done Right operates.

Many of these risks are outside of the Company’s control. The risks and uncertainties described below are not the only risks that the Company faces. Additional risks and uncertainties, including those of which management is not currently aware of or which are currently deemed immaterial, may adversely affect the Company. Any of these factors, either alone or taken together, could have a material adverse effect on the Company and could change whether any forward-looking statements are ultimately realized.

These risks cannot be eliminated, however, Carbon Done Right’s management is committed to proactively monitoring, and where possible, mitigating risk. Issues affecting, or with the potential to affect, the Company’s assets, operations and/or reputation, are generally of a strategic nature or are emerging issues that can be identified early and then managed, but occasionally include unforeseen issues that arise unexpectedly and must be managed on an urgent basis. Carbon Done Right takes a proactive approach to the identification and management of issues that may affect the Company’s assets, operations and/or reputation and has established consistent and clear policies, procedures, guidelines and responsibilities for issue identification, management and mitigation.



The general and specific risks to which the Company is exposed to as well as the business risks with regards to the COB as described in the "Change of Business Transaction and Reactivation of Listing" section is summarized in the "Risk Factors" section below and should be read in conjunction with the detailed "Risk Factors" section in the *Company's Filing Statement (In respect of the Change of Business Transaction of Earl Resources Limited pursuant to Policy 5.2 of the TSX Venture Exchange)* dated as of June 8, 2022 and available under the Company's SEDAR profile at www.sedar.com.

RISK FACTORS

Carbon Done Right is subject to various risks and investment in its publicly traded Common Shares should be considered highly speculative. The Company considers the following material risk factors in addition to those outlined or otherwise referred to below, related to both its own operations and that of its subsidiary PTHL. If any of the following risks or uncertainties occur, Carbon Done Right's business, financial condition, and results of operations could be materially and adversely affected and the trading price of Carbon Done Right's securities could decline.

Additional Funding

Depending on future exploration, development, acquisition and divestiture plans, Carbon Done Right may require additional financing. In particular, the current projects of the Carbon Done Right are capital intensive and may never be able to realize any revenue or profits until considerable additional financing has been arranged to bring such projects into a position where they are able to validate and verify carbon credits.

Carbon Done Right's Management Team may not be Successful in implementing its Business Strategy

There can be no assurance that the Carbon Done Right's management team will be successful in implementing its strategy or that forecasted results will be realized going forward. The management team may experience difficulties in effecting key strategic goals such as growth and investment top tier assets and the development of exploration projects. The performance of the Carbon Done Right's operations could be adversely affected if the Carbon Done Right's management team cannot implement the stated business strategy effectively.

Inaccurate Estimates of Growth Strategy

Market opportunity estimates and growth strategies are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate and may not be indicative of future growth. Since the growth in demand for carbon credits from large voluntary market Carbon Done Right is relatively new, the trend may not gain wider acceptance, or experience widespread growth, as anticipated.

While the Carbon Done Right's estimates of growth are made in good faith and based on assumptions and estimates the Carbon Done Right believes to be reasonable, the estimates may not prove to be accurate. Further, even if the estimate of market opportunity and growth strategy does prove to be accurate, the Carbon Done Right could fail to capture a significant portion, or any portion, of the available market.

Non-Operated Risk of Significant Assets

The assets not operated by Carbon Done Right in which the Company has a 65% ownership interest in, and the majority of near-term future revenues are attributed to that asset. As a result, Carbon Done Right may not have the ability to manage development of the assets on a pace that Carbon Done Right would choose. Further, managing the cost of development is largely the responsibility of the operator of the asset. To date, the operator and Carbon Done Right have agreed on the exploration and development efforts for the asset. A Joint Operating Agreement between PTHL and Carbon Done Right will be put in place to provide certain protections such as the right to audit the operator, the right for approval of all capital plans for the block and the approval of an annual capital and operating budget.



Projects

Carbon Done Right's ability to produce, sustain or increase levels of carbon credit production is dependent in part on the success of its projects. There are many risks and unknowns inherent in all projects. For example, the economic feasibility of projects is based upon many factors, including:

- the accuracy of carbon credit reserve estimates;
- carbon recoveries with respect to Carbon Done Right projects;
- capital and operating costs of such projects;
- the timetables for the construction, commissioning and ramp-up of such projects and any delays or interruptions;
- the accuracy of engineering and technical specification and changes in scope;
- the ability to manage large-scale construction;
- the future prices of the carbon credits; and
- the ability to secure appropriate financing to develop such projects.

Carbon Done Right's ability to maintain its license to operate in all of the jurisdictions in which Carbon Done Right has projects is also important to the success of those projects.

Risks Inherent in an Agriculture Business

The Company's business involves cultivation of agricultural products. As such, the business is subject to the risks inherent in the agricultural business, including but not limited to, pests, plant diseases, crop failure and similar agricultural risks. There can be no assurance that natural elements will not have a material adverse effect on the volume, quality and consistency of the Company's agriculture products, and of agricultural products processed from the projects, and consequently on the Company's sales, profitability and financial condition.

Risks Specifically Relating to Carbon Done Right's Securities

- Market Price of Common Shares
- Changing Investor Sentiment
- Equity Dilution
- Forward-Looking Statements May Prove Inaccurate

Additional Risks Specific to Carbon Done Right's Business

- Diseases and Epidemics (such as Covid-19) may Adversely Impact the Company's Business
- Labor Relations
- Limited Operating History for the Company's Strategy
- Reputational Risk Associated with Carbon Done Right's Operations
- Expansion into New Activities
- Carbon Done Right Depends on its Key Personnel
- Ability to Attract and Retain Qualified Personnel
- Acquisitions and Integration
- Due Diligence
- Future Acquisitions
- Failure to Realize Anticipated Benefits of Acquisitions
- Foreign Investments and Operations

Risks Relating to Carbon Done Right's Operations

- Competition
- Reduced Carbon Credit Demand
- Verification, Cancellation and Other Risks Associated with Carbon Credits
- Carbon Trading May Become Obsolete
- Concentration Risk
- Government Regulations and Changes in Legislation
- Political Uncertainty
- Security and insurance
- Liquidity and level of indebtedness
- Exchange and capital controls
- Currency fluctuations
- Environmental, Health, Safety Regulations
- Title to Properties and Assets
- Litigation
- Breach of Confidentiality
- Cash from Subsidiaries
- Global Financial Conditions
- Inflation
- Income Taxes
- Changes in Accounting Standards and Interpretations
- Internal Controls
- Infrastructure and IT Systems
- Reserve estimates
- Earning of Carbon Done Right
- Accounting Adjustments
- Carbon Credit Price Volatility
- Lack of Liquidity and High Volatility of Carbon Markets
- Carbon Pricing Initiatives are based on Scientific Principles that are Subject to Debate
- Permitting
- Social Disruptions and Instability
- Corruption
- Legal systems
- Sensitivity to Nature and Climate Conditions
- Potential Conflicts of Interest
- Ability to Support the Carrying Value of Goodwill and Non-Current Assets

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and production within the project areas, may require permits from various governmental authorities and such operations are and may be subject to laws and regulations governing growing, cultivation and similar activities. There can be no assurance that the Company will be able to obtain or maintain all approvals and permits that may be required to develop or operate the projects on terms which enable operations to be conducted at economically justifiable costs. In particular, there can be no assurance that the Company will receive the Government Consent (as defined above) required for the Yucatan Contract.

The Company Relies on International Advisors and Consultants in Order to Keep Abreast of Material Legal, Regulatory and Government Developments that Impact its Business and Operations in the Jurisdictions in which it Operates.

The legal and regulatory requirements in the foreign countries in which the Company operates, as well as local business culture and practices are different from those in Canada. The Company's officers and directors must rely, to a great extent, on local legal counsel and consultants in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist with governmental relations. The Company must rely, to some extent, on those members of management and the board of directors who have previous experience working and conducting business in these countries, if any, in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of the cultivation and sale of carbon credits as well as in respect of banking, financing, labour, litigation and tax matters in these



jurisdictions. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond its control. The impact of any such changes may adversely affect the Company's business.

Risks Specific to Foreign Subsidiary PTHL

A significant portion of Carbon Done Right's business is carried on through a foreign subsidiary, PTHL. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and this entity, could restrict Carbon Done Right's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Carbon Done Right's valuation and stock price. The performance of PTHL can be impacted by many factors:

- Risk operating in Guyana
- Coconut market risk
- Climate risk
- Risk to war
- Labor costs
- Risk of theft

Risks Specific to PTHL's Operations

Harvesting, processing, and development activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government, or other interference in the maintenance or provision of such infrastructure could adversely affect PTHL's operations, financial condition, and results of operations. Operating risks include but are not limited to the following:

- Energy Prices
- Supply and Demand Imbalances
- Other Environmental Factors
- Other Agricultural Risk
- Coconut Disease
- Biological pests (bugs, fungus)

The risks referred to herein are not the only risks and uncertainties that Carbon Done Right faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

FINANCIAL RISKS

Carbon Done Right defines financial risk as the risk of loss or lost opportunity resulting from financial management and market conditions that could have a positive or negative impact on the Company's cash flows.



Financial risk management

Carbon Done Right's activities expose it to certain financial risks, including market risk, credit risk and liquidity risk. The following table summarizes the Company's financial instruments as of December 31, 2023 and December 31, 2022:

	December 31, 2023	December 31, 2022
	\$	\$
Financial Assets		
Amortized cost:		
Cash	156,549	2,318,750
Accounts receivable	12,038	75,303
Fair value through profit or loss:		
Carbon credit streaming agreements	5,560,736	4,129,956
Financial Liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	2,031,500	787,259
Convertible debenture	392,107	296,969
Deferred liability	450,688	-
Fair value through profit or loss:		
Derivative liability	870,812	-

Market risk

Market risk is the risk that changes in market conditions, such as interest rates and foreign exchange rates will affect Carbon Done Right's net loss or value of financial instruments.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates.

Carbon Done Right may manage its interest expense using a mix of fixed and variable interest rates on its debt. Changes in interest rates could result in an increase or decrease in the amount the Company pays to service variable interest rate debt.

The interest rates on PTHL's debt loans payable are fixed and not subject to interest rate risk.

Foreign exchange risk

Foreign exchange risk is the risk that future cash flows or the fair value of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The Company is primarily exposed to fluctuations in the U.S. dollar and Guyanese dollar in relation to its foreign operations.

Commodity price risk

The Company may be exposed to commodity price risk through the sale of its agricultural produce and biological assets and inventories held.



At December 31, 2023 and December 31, 2022, the Company does not hold significant biological assets or inventories nor has it recognized significant revenue related to the sale of its agricultural produce.

Carbon market risk

Carbon market risk is the risk that the fair value of a financial instrument will fluctuate from changes in market forces including, but not limited to, interest rates, voluntary carbon credit prices, foreign exchange, and timing and number of anticipated carbon credit deliveries and sales. There has been no change in fair value in the year for the carbon credit assets acquired.

Credit risk

Credit risk is the risk that a customer or counterparty to a financial asset will default, resulting in Carbon Done Right incurring a financial loss.

The Company's accounts receivables are predominantly for PTHL customers and other partners who are subject to normal industry credit risks in Guyana. The Company assesses the creditworthiness of its customers on an ongoing basis as well as monitoring the amount and age of balances outstanding. Accordingly, the Company views the credit risks on these amounts as normal for the industry. The carrying amount of accounts receivable represents the maximum credit exposure on this balance.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The calculation reflects the probability-weighted outcome, the time value of money and reasonable supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

As at December 31, 2023, accounts receivable was \$12,038 (December 31, 2022 - \$75,303). Payment terms with customers vary by contract; however, standard payment terms are 30 days from the invoice date. Any credit risk related to the accounts receivable will have an immaterial impact to the Company.

Carbon Done Right held cash and cash equivalents of \$156,549 at December 31, 2023 which represents its maximum credit exposure on these assets (December 31, 2022 - \$2,318,750). The cash is held with major, high credit-quality financial institution counterparties and management believes credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that Carbon Done Right will be unable to fulfill its obligations associated with financial liabilities on a timely basis or at a reasonable cost. The Company's objective in managing liquidity risk is to maintain sufficient available resources to meet its liquidity requirements at any point.

The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, lease obligations and long-term debt.

Carbon Done Right mitigates this risk through efforts to maintain the support of its lenders and through the issuance of additional capital, if required.



The Company has the following payments (gross amount, undiscounted) due within the period noted below:

	Within 1 year	1-3 years	3-5 years	More than 5 years	Total
Accounts payables	2,031,501	-	-	-	2,031,501
Convertible debenture	-	551,496	-	-	551,496
Derivative liability	-	1,350,022	-	-	1,350,022
Lease liability	218,571	437,141	437,141	14,372,670	15,465,523
	2,250,072	2,338,659	437,141	14,372,670	19,398,541

ACCOUNTING STANDARDS, CHANGES AND PRONOUNCEMENTS

Carbon Done Right's audited consolidated financial statements have been prepared in accordance International Financial Reporting Standards ("IFRS") using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board. The MD&A should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2023 and 2022.

A summary of significant accounting policies can be found in the audited consolidated financial statements for the years ended December 31, 2023 and 2022.

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on these Financial Statements.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of financial statements requires management to make certain judgments, accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

A summary of Carbon Done Right's critical accounting estimates, judgments and assumptions, including those for the COB, can be found in the audited consolidated financial statements for the years ended December 31, 2023, and 2022.

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on these Financial Statements.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures and internal controls, and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer



and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding information to be included in public disclosures required under Canadian securities law.

Internal controls over financial reporting (“ICFR”) are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Absolute assurance cannot be provided that all misstatements have been detected because of inherent limitations in all control systems. The Company’s management is responsible for designing and maintaining adequate ICFR for the Company.

In preparation for completing the COB and readying for Carbon Done Right’s Reactivation as a venture reporting issuer, the Company has commenced a process to strengthen its control systems and internal control environment.

It should be noted that a control system, including Carbon Done Right’s disclosure and internal controls and procedures, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

RELATED PARTY TRANSACTIONS

Related party transactions

Except as disclosed elsewhere, the Company incurred the following with directors and companies controlled by Directors of the Company for the year ended December 31, 2023:

<i>(Canadian \$)</i>	Year ended December 31,	
	2023	2022
Consulting fees	332,454	979,003
Management fees	703,600	-
Share based compensation	-	980,977
	<u>1,036,054</u>	<u>1,959,980</u>

Included in related party consulting fees for the year ended December 31, 2023 is a charge from a minority shareholder of Pomeroon Suriname N.V. (a subsidiary of the Company) of \$105,300 (2022 - \$nil) to the Company.

On June 29, 2022, the Company entered into a carbon streaming agreement with RML, a Company owned by the Company’s Director of Operations. See Note 7 for details. During the year ended December 31, 2023, the Company advanced \$1,721,226 (2022 - \$1,572,468) to develop the carbon credits project.

On August 15, 2022, the Company entered into a carbon credit streaming agreement with FMPL, a Company owned by the Company’s Director of Operations.

During July 2022, the Company paid back a US\$65,000 (\$83,759) loan balance from 662 Ventures Limited (wholly owned by Director of Corporate Development of the Company).

The Company is the lessee to the Suriname leasehold agreement, with the lessor being an organization whose chairwoman is a related party to the Company. As such, the Suriname lease is considered a related party transaction.



Due to related parties

As at December 31, 2023, the Company owes \$552,142 (December 31, 2022 - \$11,572) to directors or officers of the Company. The amount owed was recorded in accounts payable and accrued liabilities in the statement of financial position.

COMMITMENTS AND CONTINGENCIES

Other commitments – Right of first offer

The Guyana COB Agreement also provides that the Company shall execute a right of first offer agreement, valid for a period of 12 months following closing of the transactions pursuant to the Guyana COB Agreement, pursuant to which the Company will agree with PTHL that, subject to one or more qualifying carbon credit project(s) being initiated by PTHL (to the satisfaction of the Company), the Company will make an offer to all remaining shareholders of PTHL to acquire all of their PTHL common shares at a price to be agreed, but which price shall be subject to a minimum of US\$8.00 per share and subject to approval of the TSX Venture Exchange, accepting that the consideration to be paid pursuant to any such acquisition shall be settled through the issuance of additional Common Shares (at a price calculated as the 30 day volume-weighted average price of Common Shares) unless otherwise mutually agreed between the Company and a remaining PTHL shareholder.

Lease Liabilities

The Company has the following future commitments associated with its lease liabilities:

<i>(Canadian \$)</i>	December 31 2023	December 31 2022
Less than 1 year	218,571	203,160
2 to 3 years	437,141	406,320
4 to 5 years	437,141	406,320
More than 5 years	14,372,670	8,329,560
Total lease payments	15,465,523	9,345,360
Amounts representing interest over the term of the lease	(13,417,626)	(7,786,623)
Present value of lease liabilities	2,047,897	1,558,737

Litigation and claims

The Company may be involved in litigation and claims arising in the normal course of operations. Management is of the opinion that pending litigation will not have a material impact on the Company's financial position or results of operations.

OFF BALANCE SHEET ARRANGEMENTS

As at December 31, 2023 and date of this report, the Company is not a party to any off balance sheet arrangements or transactions.



PROPOSED TRANSACTIONS

As at December 31, 2023 and the date of this report, the Company does not have any proposed transactions.

ADDITIONAL INFORMATION

Additional information regarding Carbon Done Right and its business and operations can be obtained by contacting the Company at Carbon Done Right Developments Inc., Suite 1012, 1030 West Georgia Street, Vancouver, British Columbia, Canada or by e-mail at info@klimatx.com. Additional information related to Carbon Done Right is available on the Company's website at www.carbondoneright.com or under the Company's SEDAR profile at www.sedar.com.

NON-GAAP MEASURES

Carbon Done Right uses certain financial measures referred to in this MD&A to quantify its results that are not prescribed by IFRS. The following terms: "working capital" and "non-current debt" are not recognized measures under IFRS and may not be comparable to that reported by other companies. Carbon Done Right believes that, in addition to measures prepared in accordance with IFRS, these non-GAAP measures provide useful information to evaluate the Company's performance and ability to generate cash, profitability and meet financial commitments.

These non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated in such forward-looking statements.

Forward looking information and statements are included throughout this MD&A and include, but are not limited to, statements pertaining to the following:

- the Company's ability to continue as a going concern;
- the potential impacts of access to capital conditions;
- the Company's projects in various international locations, including in the Middle East and Africa;
- the Company's liquidity and capital resources; and
- the nature of the risks faced by the Company.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

- general economic conditions in Canada, the United States and globally, including reduced availability of debt and equity financing generally;

- industry conditions, including fluctuations in the pricing;
- governmental regulation of carbon credit industry, including environmental regulation;
- fluctuation in foreign exchange or interest rates;
- incorrect assessments of the value of acquisitions;
- unanticipated operating events which can reduce production or cause production to be delayed;
- failure to obtain industry partner and other third party consents and approvals, when required;
- stock market volatility and market valuations;
- availability of financing on acceptable terms;
- competition for, among other things, capital, acquisitions of land and skilled personnel;
- the need to obtain required approvals from regulatory authorities;
- general business and market conditions; and
- economic slowdown as a result of COVID-19.

These factors should not be considered exhaustive.

Forward-looking statements or information is based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. The Company currently believes the expectations reflected in these forward-looking statements are reasonable but cannot assure that such expectations will prove to be correct, and thus, such statements should not be unduly relied upon. These forward-looking statements are made as of the date of this MD&A and the Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, unless required pursuant to applicable laws. Risk and assumptions that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the heading "Risks Assessment" in this MD&A. Although the Company has attempted to take into account important factors that could cause actual costs or operating results to differ materially, there may be other unforeseen factors and therefore results may not be as anticipated, estimated or intended.

The above summary of assumptions and risks related to forward-looking information has been provided in this MD&A in order to provide readers with a more complete perspective on the Company's future operations and prospects. Readers are cautioned that this information may not be appropriate for other purposes. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.