



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

Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2024 and 2023

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2024 and 2023

NOTICE OF NO REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Carbon Done Right Developments Inc. (formerly Klimat X Developments Inc) and its subsidiaries ("Carbon Done Right" or the "Company") for the three months ended March 31, 2024 and 2023 have been prepared by and are the responsibility of the Company's management.

Under National Instrument 51-102, *Continuous Disclosure Obligations*, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor.

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)

<i>(Canadian \$)</i>	Note	March 31 2024	December 31 2023
ASSETS			
Current assets			
Cash and cash equivalents		147,746	156,549
Receivables	4	223,933	12,038
Prepays and deposits		93,806	99,068
Biological assets		7,516	8,811
Total current assets		473,001	276,466
Non-current assets			
Right-of-use assets	5	5,130,463	5,146,054
Property, plant and equipment	6	526,465	524,769
Carbon credit streaming agreements	7	5,894,575	5,560,736
Total non-current assets		11,551,503	11,231,559
Total assets		12,024,504	11,508,025
LIABILITIES AND EQUITY (DEFICIT)			
Current liabilities			
Accounts payable and accrued liabilities	16	2,459,080	2,031,500
Current portion of lease liabilities	10	224,594	221,852
Loan payable	9	433,746	-
Total current liabilities		3,117,420	2,253,352
Non-current liabilities			
Convertible debenture	8	435,849	392,107
Derivative liability	11	658,912	870,812
Deferred liability	11	1,033,551	450,688
Lease liabilities	10	1,853,958	1,826,044
Total non-current liabilities		3,982,270	3,539,651
Total liabilities		7,099,690	5,793,003
Shareholders' equity (deficit)			
Share capital	12	16,864,883	16,801,156
Reserves		1,996,807	1,995,479
Accumulated deficit		(14,310,016)	(13,529,555)
Total shareholder's equity attributable to Carbon Done Right Developments Inc. shareholders		4,551,674	5,267,080
Non-controlling interest		373,140	447,942
Total equity		4,924,814	5,715,022
Total liabilities and equity		12,024,504	11,508,025
Subsequent events	19		

Approved by the Board of Directors on July 19, 2024:

"James Tansey" Director
James Tansey

"Neil Passmore" Director
Neil Passmore

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS (Unaudited)

For the three months ended

<i>(Canadian \$)</i>	Note	March 31 2024	March 31 2023
Revenue		26,924	45,653
Cost of goods sold		(35,417)	(115,926)
		(8,493)	(70,273)
Expenses			
Consulting fees	16	(422,042)	(452,569)
Professional fees		(260,119)	(18,384)
Amortization expense	6	(38,966)	(41,604)
Marketing and investor relations		(126,711)	(115,262)
Listing and filing fees		(2,044)	(12,889)
Office and administration		(53,755)	(75,836)
Travel and corporate development		-	(9,055)
Share-based payments	14	(2,657)	-
Total expenses		(906,294)	(725,599)
Other income (expenses)			
Finance costs		(111,480)	(50,125)
Foreign exchange loss		(43,137)	(40,898)
Gain on settlement of accounts payable		16,586	-
Other	4	212,669	-
Net loss		(840,149)	(886,895)
Other comprehensive (loss) income			
Cumulative translation adjustment		(15,114)	3,678
Net loss and comprehensive loss		(855,263)	(883,217)
Net loss attributable to:			
Owners		(780,461)	(819,188)
Non-controlling interest ("NCI")		(59,688)	(67,707)
		(840,149)	(886,895)
Other comprehensive income attributable to:			
Non-controlling interest ("NCI")		(15,114)	3,678
		(15,114)	3,678
Weighted average shares outstanding		94,482,856	86,222,661
Loss per share (basic and diluted)		(0.01)	(0.01)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

<i>(Canadian \$, except Common Shares)</i>		Number of Common Shares	Share capital	Share-based payments reserve	Warrants reserve	Accumulated deficit	Total	Non- controlling interest	Total equity
	Note								
At December 31, 2023		94,060,894	16,801,156	1,833,298	162,181	(13,529,555)	5,267,080	447,942	5,715,022
Share issuances – shares for debt		301,563	28,648	-	-	-	28,648	-	28,648
Options exercised		337,500	35,079	(1,329)	-	-	33,750	-	33,750
Cumulative translation adjustment		-	-	-	-	-	-	(15,114)	(15,114)
Share-based payments	14	-	-	2,657	-	-	2,657	-	2,657
Net loss for the period		-	-	-	-	(780,461)	(780,461)	(59,688)	(840,149)
At March 31, 2024		94,699,957	16,864,883	1,834,626	162,181	(14,310,016)	4,551,674	373,140	4,924,814
At December 31, 2022		86,222,661	15,793,367	1,789,860	-	(9,029,834)	8,553,393	710,171	9,263,564
Cumulative translation adjustment		-	-	-	-	-	-	3,678	3,678
Net loss for the period		-	-	-	-	(819,188)	(819,188)	(67,707)	(886,895)
At March 31, 2023		86,222,661	15,793,367	1,789,860	-	(9,849,022)	7,734,205	646,142	8,380,347

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) For the period ended

<i>(Canadian \$)</i>	Note	March 31, 2024	March 31, 2023
CASH FLOWS USED IN OPERATING ACTIVITIES			
Net loss		(840,149)	(886,895)
Adjusted for:			
Amortization		38,966	41,604
Share-based payments	14	2,657	-
Accretion expense		107,365	76,493
Gain on settlement on accounts payable		16,586	-
Foreign exchange		62,795	40,898
Interest	9	3,785	-
Changes in non-cash working capital			
Prepaid expense		5,262	(75,368)
Accounts payable		327,107	120,897
Accounts receivable		(211,895)	(52,514)
Inventory		1,295	4,344
Net cash flow used in operating activities		(486,226)	(730,541)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Investment – Sierra Leone	7	(333,839)	(242,703)
Purchase of property, plant, and equipment		(3,754)	-
Net cash flows used in investing activities		(337,593)	(242,703)
CASH FLOWS FROM FINANCING ACTIVITIES			
Derivative liability – Pre-purchase agreement	11	342,773	-
Proceeds from exercise of options		33,750	-
Proceeds from loan	9	438,493	-
Net cash flow from financing activities		815,016	-
Increase (decrease) in cash and cash equivalents		(8,803)	(973,244)
Cash and cash equivalents, beginning of year		156,549	2,318,750
Cash and cash equivalents, end of period		147,746	1,345,506

The accompanying notes are an integral part of these condensed interim consolidated financial statements.



1. REPORTING ENTITY

Carbon Done Right Developments Inc. (formerly Klimat X Developments Inc.) and its subsidiaries ("Carbon Done Right" or the "Company") is a carbon exploration and development company with global reach into jurisdictions with production potential from forestry and marine carbon sequestration projects.

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".

The head office and principal address of the Company is located at Suite 1012, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, Canada.

During the year ended December 31, 2023, the Company changed its name from "Klimat X Developments Inc." to "Carbon Done Right Developments Inc.".

The Company has the following subsidiaries, incorporated and/or formed, and consolidated in these financial statements as of March 31, 2024:

Name of subsidiary	Jurisdiction of incorporation/formation	Ownership %
Pomeroon Trading (Holdings) Limited ("PTHL") ⁽¹⁾	Cayman Islands	74%
Pomeroon Trading Inc. ("PTI") ⁽²⁾	Co-operative Republic of Guyana	100%
Pomeroon Suriname N.V. ⁽³⁾	Suriname	70%

(1) Incorporated on January 19, 2018. On June 29, 2022, Carbon Done Right acquired a 74% interest.

(2) Incorporated on October 6, 2017 and a wholly-owned subsidiary of Pomeroon Trading (Holdings) Limited.

(3) Incorporated on September 13, 2022, and a 70% owned subsidiary of Pomeroon Trading (Holdings) Limited.



2. BASIS OF PREPARATION AND GOING CONCERN

a) Basis of presentation and going concern

These unaudited condensed interim consolidated financial statements (the “Financial Statements”) have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee. These Financial Statements have been prepared following the same accounting policies and methods of computation as the annual financial statements for the year ended December 31, 2023. These Financial Statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2023.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future which is at least, but not limited to, twelve months from the end of the reporting period.

The Company has not yet generated income or cashflow from operations. As at March 31, 2024, the Company had cash and cash equivalents of \$147,746 (December 31, 2023 - \$156,549), a working capital deficit of \$2,644,419 (December 31, 2023 – deficit of \$1,976,886) and an accumulated deficit of \$14,310,016 (December 31, 2023 - deficit \$13,529,555). For the three months ended March 31, 2024, the Company incurred a net loss of \$840,149 (March 31, 2023 – net loss of \$886,895) and negative cashflows from operations of \$486,226 (March 31, 2023 – \$730,541). The Company will require additional financing, through various means including but not limited to equity financing, to continue with its carbon streaming programs and to meet its future obligations and administrative expenses. There is no assurance that the Company will be successful in raising the additional required funds.

The above noted conditions indicate the existence of material uncertainties that cast significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

These financial statements have been approved by the Board of Directors on July 19, 2024.

b) Basis of measurement, functional and presentation currency and operating segments

These Financial Statements have been prepared on a going concern basis, under the historical cost convention, except certain financial instruments which are recorded at fair value, and using the accrual basis of accounting, except for cash flow information.

These Financial Statements are presented in Canadian dollars, Carbon Done Right’s functional currency, unless otherwise indicated.

Name of subsidiary	Functional currency
Pomeroon Trading (Holdings) Limited	US Dollars
Pomeroon Trading Inc.	Guyanese dollar
Pomeroon Suriname N.V	US Dollars



c) Use of estimates, judgements and assumptions

The preparation of these Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and judgments are based on management's best understanding of current events and actions that Carbon Done Right may undertake in the future. Actual results may differ from these estimates and judgments. Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which estimates are revised and for any future years affected.

Significant estimates, judgements or assumptions used in these Financial Statements are outlined below:

Fair value of assets acquired and liabilities assumed in asset acquisition

The fair value of assets acquired and liabilities assumed through asset acquisition, including measuring the fair value of the consideration, is estimated based on information available at the date of the acquisition. Estimates are used to determine the fair value of the acquired assets and assumed liabilities and include quoted market prices and widely accepted valuation techniques.

Fair value of equity-settled share-based payments

The Company uses a Black-Scholes option pricing model to determine the fair value of equity-settled share-based payments. Inputs to the model are subject to various estimates relating to volatility, interest rates, dividend yields and expected life of the units issued. Fair value inputs are subject to market factors as well as internal estimates. The Company considers historic trends together with any new information to determine the best estimate of fair value at the date of grant.

Accounting for and valuation of carbon credit streaming agreements

The Company from time to time will acquire carbon credit agreements. Each carbon credit agreement has its own unique terms and significant judgment is required to assess the appropriate accounting treatment. Various factors were used to conclude on its accounting treatment, such as - intangible rights, investments in an entity, significant influence, characteristics of loans and commodity prepurchase contracts and own use exemption. The Company also assumes it does not possess any timber rights from all of the carbon credit streaming agreements.

Significant estimates and assumptions in the fair value assessment are included in note 7.

Fair value of carbon streaming agreements

As at March 31, 2024, management has assessed that the fair value of the carbon credit streaming agreements approximates the cash and equity payments disbursed to the projects. Apart from the write-off of IEG above, the Company has determined that there has been no change in the fair value from the acquisition dates made.

As the carbon credits development is still in early stage as at March 31, 2024, the fair value of the deferred liability and derivative liability resulted from the carbon streaming agreement was concluded to be the net present value of the repayment of agreement in cash in the event of a default.



Fair value of common shares

The Company completed three transactions on June 29, 2022. The measurement of the Company's shares was required to determine the amounts recorded in the transactions. As the Company was not trading on that date there is judgment in determining the fair value of the share price on that date. The Company has determined that the fair value of the net assets best represents the fair value of the Company's value at that date.

Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement amounts of existing assets and liabilities and their respective tax basis. Estimates of Carbon Done Right's future taxable income are considered in assessing the utilization of available tax losses. The calculation of income taxes involves many complex factors including the interpretation of relevant tax legislation and an analysis of the amount of future taxable income.

Deferred tax assets are recognized when it is considered probable that deductible temporary differences will be recovered in the foreseeable future. To the extent that future taxable income and the application of existing tax laws in each jurisdiction differ significantly from Carbon Done Right's estimate, the ability of Carbon Done Right to realize the deferred tax assets could be impacted.

Deferred tax liabilities are recognized when there are taxable temporary differences that will reverse and result in a future outflow of funds to a taxation authority. Carbon Done Right records a provision for the amount that is expected to be settled, which requires judgment as to the ultimate outcome. Deferred tax liabilities could be impacted by changes in the Company's judgment of the likelihood of a future outflow and estimates of the expected settlement amount, timing of reversals, and the tax laws in the jurisdictions in which Carbon Done Right operates.

Functional currency

The designation of the functional currency of the Company and each of its subsidiaries is a judgment based on the composition of revenue and costs in the locations in which Carbon Done Right operates.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently by Carbon Done Right for all periods presented in these Financial Statements.

a) Adoption of new/amended accounting standards

In May 2020, the IASB issued an amendment to International Accounting Standard 41, *Agriculture*, ("IAS 41") as part of its *Annual Improvements to IFRS Standards 2018– 2020*. The amendment removes the requirement for an entity to exclude taxation cash flows when calculating the fair value of its biological assets. An entity is permitted to use post-tax cash flows and a post-tax rate to discount those cash flows. The amendment was effective for annual periods beginning on or after January 1, 2022.

Carbon Done Right adopted the amendments to IAS 41 with the acquisition of PTHL as at December 31, 2022. The adoption of this standard did not have a significant impact on the Company.



b) **Recent accounting pronouncements and/or future accounting standards**

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.

4. RECEIVABLES

On March 25, 2024, the Company received approval for a grant of \$212,669 (GBP £123,833) (December 31, 2023 - \$Nil) from Cadmus International UK. This has been recorded as other income on the income statement and accounts receivable on the statement of financial position. The amount has been subsequently received by the Company on April 11, 2024.

5. RIGHT-OF-USE ASSETS

<i>(Canadian \$)</i>	PTHL Leasehold estate	Suriname Leasehold estate	Total
At December 31, 2021, and 2020	-	-	-
Acquisition	4,699,437	-	4,699,437
At December 31, 2022	4,699,437	-	4,699,437
Additions	-	522,901	522,901
At December 31, 2023	4,699,437	522,901	5,222,338
Additions	-	-	-
At March 31, 2024	4,699,437	522,901	5,222,338
At December 31, 2021, and 2020	-	-	-
Depreciation expense	53,353	-	53,353
At December 31, 2022	53,353	-	53,353
Depreciation expense	101,917	3,329	105,246
At December 31, 2023	155,270	3,329	158,599
Depreciation expense	25,480	3,330	28,810
At March 31, 2024	180,750	6,659	187,409
Foreign exchange impact – December 31, 2023	74,084	8,231	82,315
Foreign exchange impact – March 31, 2024	85,981	9,553	95,534
At December 31, 2022	4,728,297	-	4,728,297
At December 31, 2023	4,618,251	527,803	5,146,054
At March 31, 2024	4,604,668	525,795	5,130,463

Carbon Done Right’s right of use assets include the Guyana and Suriname leasehold estate. PTHL is currently in a dispute with the landowners of the Stoll Estate in which the company leases the land that the operations are on. The landowners are seeking damages for non-payment of rent and seeking termination of the lease. The Company has submitted a defense to these claims. The Company continues to have access to the land and operations of coconut sales.



6. PROPERTY, PLANT AND EQUIPMENT

<i>(Canadian \$)</i>	Bearer plants	Rehabilitation asset	Building, machinery and equipment	Total
Cost				
At December 31, 2022	116,113	138,195	103,223	357,531
Acquisition	11,538	-	174,900	186,438
At December 31, 2023	127,651	138,195	278,123	543,969
Additions	3,174	281	299	3,754
At March 31, 2024	130,825	138,476	278,422	547,723
Accumulated depreciation				
At December 31, 2022	260	1,390	5,911	7,561
Depreciation	564	2,690	29,827	33,081
At December 31, 2023	824	4,080	35,738	40,642
Depreciation	154	801	9,200	10,155
At March 31, 2024	978	4,881	44,938	50,797
Foreign exchange impact – December 31, 2023	5,032	5,447	10,963	21,442
Foreign exchange impact – March 31, 2024	8,915	7,554	13,070	29,539
Carrying amount				
At December 31, 2023	131,859	139,562	253,348	524,769
At March 31, 2024	138,762	141,149	246,554	526,465

Carbon Done Right's property, plant and equipment consists of bearer plants, rehabilitation asset, and building, machinery and equipment:

- Bearer plants consist of the PTHL's water coconut trees used in the production of agricultural produce and related byproducts; and
- The rehabilitation assets include expenditures on additional land clearing, improved soil fertility, and increasing planting and productivity of tree plantations; and
- Building, machinery and equipment include bearer plants, nursery assets, farm and related equipment and vehicle, a building, office furniture and related equipment.

During the period ended March 31, 2024, the Company capitalized nursery asset depreciation of \$2,954 (December 31, 2023 - \$11,538) into bearer plants.



7. CARBON CREDIT STREAMING AGREEMENTS

<i>(Canadian \$)</i>	IEG	FMPL	Maforki (SL) Project - Rights	Total
Cost				
At December 31, 2022	338,463	1,169,025	2,622,468	4,129,956
Investments	-	48,016	1,721,227	1,769,243
Write off	(338,463)	-	-	(338,463)
At December 31, 2023	-	1,217,041	4,343,695	5,560,736
Advances	-	-	333,839	333,839
At March 31, 2024	-	1,217,041	4,677,534	5,894,575

(1) Includes \$3,375,000 share consideration and the Initial Advance of US\$750,000 (\$965,236).

Sierra Leone rights

RML assigned and transferred to Carbon Done Right fifty-one per cent (51%) of all:

- RML Carbon Credits that are produced from or in connection with the Maforki Project;
- Biological asset rights and revenues that are produced or generated from or in connection with the Maforki Project; and

All-in consideration for the Initial Advance and the issuance of Consideration Shares to RML and subject to and in accordance with the terms of a deed agreement and the Sierra Leone Prepayment Agreement.

During the year ended December 31, 2023, RML transferred the remaining 49% to the Company (Company now currently owns 100%) for further funding commitments to advance the projects. The Company further advanced of US\$1,270,000 (\$1,721,227) and had an additional commitment on advances up to US\$2,200,000.

Sierra Leone Pre-Purchase 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.
- 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 	\$500,000 (received in 2023)

	<ul style="list-style-type: none"> • Preparation of at least 1000ha of land with certain target survival rate and blanking • Revised cash forecast draft 	
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 (\$250,000 received in Q1 2024; \$250,000 received subsequent to Q1 2024).
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 subsequent to Q1 2024).
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 require 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.
 - 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 current period ended March 31, 2024, the Company received payment of \$342,773 (USD \$250,000) from BP which has been presented as a derivative liability in these financial statements (note 11) (December 31, 2023 -\$1,350,022 (USD \$1,000,000)).

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) into the FMPL project.

Infinitum Energy PTE. Ltd ("IEG")

On September 9, 2022, the Company entered into a carbon credit development agreement with Infinitum Energy PTE Ltd. IEG is in the process of developing a 1,000 t/day waste-to-energy facility in the greater Western Area of Sierra Leone. IEG and the Company believe that within operations of the Project, it may be possible to generate carbon credits from avoided methane emissions associated with the breakdown of biological materials in the waste stream, which may then allow the Project to become an originator of accredited voluntary carbon credits. The Company has agreed and provided IEG US\$250,000 (\$338,463) to fund the development activities of the Project by IEG and to determine whether the Company can generate Carbon Credits.

As at December 31, 2023, IEG has been unable to secure additional funding, and thus the project has been disabled. As a result, the deemed recoverability of the investment is considered to be unlikely. The Company therefore wrote off the IEG carbon credit streaming agreement to \$Nil as at December 31, 2023.

Fair Value

As at March 31, 2024 and December 31, 2023, management has assessed that the fair value of the carbon credit streaming agreements approximates the cash and equity payments disbursed to the projects. The Company has determined that there has been no change in the fair value from the acquisition dates made. \$338,463 was written off during the year ended December 31, 2023.



8. CONVERTIBLE DEBENTURE

On April 6, 2022, the Company's subsidiary, PTHL, obtained a US \$416,327 unsecured, non-interest bearing convertible debenture from Alma Pelly Limited, a UK Corporation, in the normal course of business. The terms of the loan are disclosed below. Upon acquisition of PTHL, the Company allocated the residual value of US \$229,721 (\$294,042) to PTHL's equity reserves based on a discount rate of 35%. The fair value of the liability portion of the convertible debenture was therefore US \$186,606 (\$240,461).

(Canadian \$)

At December 31, 2022	\$ 296,969
Accretion expense	103,551
Foreign exchange impact	(8,413)
At December 31, 2023	392,107
Accretion expense	34,954
Foreign exchange impact	8,788
At March 31, 2024	435,849

Terms	Details
Maturity Date	March 1, 2025
Conversion right	<p>The Company can elect the conversion of the debt at any time after June 30, 2023, at US\$4.00/PTHL share. This must be agreed upon with the lender. Convertible at any time at the option of the holder at US\$4.00/PTHL share.</p> <p>If lender rejects the conversion offered by the Company, the lender has the right to request 65% of the loan outstanding to be paid in cash ("Cash Payment"), and the remaining 35% to be converted at US\$1.00/PTHL share, or cash, or mix of both.</p>
Interest rate	<p>Non-interest bearing</p> <p>However, if the Company fails to pay the loan by the maturity date, the outstanding loan shall accrue simple interest at a rate of 10% per annum.</p> <p>In the event the Company fails to pay the Cash Payment, the remaining loan would accrue a quarterly compounded interest of 20% per annum.</p>

9. LOAN PAYABLE

Below is the summary of the Company's loan payable balance as at March 31, 2024:

<i>(Canadian \$)</i>	(a) Shard Capital	(b) Pershing Nominees	(c) Riverfort Global	(d) Related Party	Total
At December 31, 2023	-	-	-	-	-
Borrowing	135,397	135,397	67,699	100,000	438,493
Interest	1,674	1,456	655	-	3,785
Foreign exchange impact	(8,273)	(250)	(9)	-	(8,532)
At March 31, 2024	128,798	136,603	68,345	100,000	433,746

- a) Shard Capital Partners LLP – The promissory note principal balance is USD \$100,000, with a maturity date of 12 months from the issuance date (March 8, 2025). The note bears interest at the rate of 20% per annum.
- b) Pershing Nominees Limited – The promissory note principal balance is USD \$100,000, with a maturity date of 12 months from the issuance date (March 11, 2025). The note bears interest at the rate of 20% per annum.
- c) Riverfort Global Opportunities – The promissory note principal balance is USD \$50,000, with a maturity date of 6 months from the issuance date (September 30, 2024). The note bears interest at the rate of 20% per annum.
- d) Related party – The promissory note principal balance is \$100,000, due on demand, and is non-interest bearing.

10. LEASE LIABILITIES

<i>(Canadian \$)</i>	PTHL Leasehold Estate		Suriname Leasehold Estate		Total	
	March 31 2024	December 31 2023	March 31 2024	December 31 2023	March 31 2024	December 31 2023
At beginning of year	1,523,908	1,558,737	523,989	-	2,047,897	1,558,737
Acquisition	-	-	-	522,901	-	522,901
Unpaid lease payment-reclass to AP	(55,169)	(198,701)	-	(15,000)	(55,169)	(213,701)
Accretion expense	50,435	201,763	22,047	27,238	72,482	229,001
Foreign exchange impact	9,928	(37,892)	3,414	(11,150)	13,342	(49,042)
Ending lease liability	1,529,102	1,523,907	549,450	523,989	2,078,552	2,047,896
Current portion of lease liabilities	(151,117)	(152,704)	(73,477)	(69,148)	(224,594)	(221,852)
Non-current portion of lease liabilities	1,377,985	1,371,203	475,973	454,841	1,853,958	1,826,044

Lease liabilities consist of PTHL's agricultural land lease acquired as part of the acquisition of PTHL as well as Suriname's land sub-lease acquired during the period ended March 31, 2024.

PTHL Leasehold Estate

On January 29, 2018, Pomeroun Trading Inc. ("PTI") entered into a 50-year agreement for the lease of agricultural land known as the Stoll Estate, 700 acres set in the Pomeroun River, Guyana, in exchange for monthly lease payments of US\$12,500.



Pursuant to the lease, 50% of the monthly lease payments due by December 31, 2022 (US\$6,250 per month), are subject to an equity conversion right, whereby such outstanding lease payments may be converted into common shares of PTI. If this equity right is exercised, the carrying amount of such payables will be converted to shares of PTI at the prevailing fair value of such shares at the conversion date. Starting July 1, 2022, no lease payments will be allowed to be paid in common shares of PTI; any further lease payments will be settled in cash. As at March 31, 2024, total lease payments subjected to be paid in common shares was US\$322,500 (currently recorded in accounts payable). No payment in common shares was ever exercised since the inception of the lease.

For the leased estate, the Company has recognized lease liabilities in relation to all lease arrangements measured at the present value of the remaining lease payments at an implied borrowing rate of 13% per annum appropriate for the location, type of property and length of term.

Suriname Leasehold Estate

In September 2023, Pomeroon Suriname NV ("Suriname") entered into a 40-year agreement for the lease of agricultural land, 1,280 hectares, wherein Suriname intends to develop mixed agri-forestry and carbon offset projects in the Republic of Suriname.

Pursuant to the lease, the rental rate is US\$15,000 per annum from the effective date to the fifth anniversary of the effective date. For the following five years, the rental rate shall be US\$100,000 per annum, and for the remainder of the contractual term, the rental rate shall be US\$150,000 per annum.

For the leased estate, the Company has recognized lease liabilities in relation to all lease agreements measured at the present value of the remaining lease payments at an implied borrowing rate of 16.5% per annum appropriate for the location, type of property and length of term.

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

<i>(Canadian \$)</i>	March 31 2024	December 31 2023
Less than 1 year	223,405	218,571
2 to 3 years	446,810	437,141
4 to 5 years	446,810	437,141
More than 5 years	14,639,801	14,372,670
Total lease payments	15,756,826	15,465,523
Amounts representing interest over the term of the lease	(13,678,274)	(13,417,626)
Present value of lease liabilities	2,078,552	2,047,897

11. DERIVATIVE LIABILITY

On July 18, 2023, the Company entered into a carbon credit offtake transactions agreement with BP Carbon Trading Limited ("BP") wherein BP will pre-purchase carbon credits from the Company's Sierra Leone Rewilding Project.

During the period ended March 31, 2024, the Company received a payment of \$342,773 (US\$250,000) from BP which has been presented as a derivative liability and deferred liability in these financial statements.



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 and deferred liability in these financial statements.

As at March 31, 2024, the cumulative total amount collected was \$1,692,795 (USD\$1,250,000).

See note 7 for details of the contract.

<i>(Canadian \$)</i>	Derivative liability	Deferred liability
At December 31, 2022	\$ -	-
Cash received	1,350,022	-
Reclassification – deferred liability	(450,688)	450,688
Foreign exchange impact	(28,522)	-
At December 31, 2023	870,812	450,688
Cash received	342,773	-
Reclassification – deferred liability	(208,224)	208,224
Foreign exchange impact	28,190	-
At March 31, 2024	1,033,551	658,912

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 March 31, 2024 and 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.

For the period ended March 31, 2024, upon the conclusion of such analysis, the discounted face value of \$1,692,795 was \$1,033,551, 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 \$658,912 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 \$28,000. The remaining \$28,190 was recorded as gain in foreign exchange impact.

For the year ended December 31, 2023, 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 a gain in foreign exchange impact.



12. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue:

An unlimited number of Common Shares without par value

b) Share issuances

Period ended March 31, 2024

Share issuance – shares for debt

On January 2, 2024, the Company settled an aggregate of \$45,234 of indebtedness to a certain arm's length creditor through the issuance of 301,563 common shares at a deemed issuance price of \$0.15 per share. The indebtedness relates to professional services rendered to the Company. A gain on settlement of debt of \$16,586 was recorded in other income on the statement of loss and comprehensive loss, and the remaining \$28,648 was allocated to share capital.

Year ended December 31, 2023

Share issuance – private placement

On September 14, 2023, the Company announced the first tranche of a non-brokered private placement offering with the placement of 6,036,567 units at a price of \$0.15 per unit for gross proceeds of \$905,485. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase one share of the Company at a price of \$0.25 per share with an expiry date of September 14, 2025. The Company has allocated \$754,571 of the proceeds from the private placement to the shares, and \$150,914 to the warrants on a residual method basis.

On October 6, 2023, the Company closed the final tranche of the non-brokered private placement offering, with the placement of 1,126,666 units at a price of \$0.15 per unit for gross proceeds of \$169,000. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase one share of the company at a price of \$0.25 per share with an expiry date of October 6, 2025.

Share issuances – COB

Common Share issuances as a result of the Guyana Transaction, Sierra Leone Transaction and the Yucatan Transaction.

c) Warrants

A summary of the status of the Company's warrants at March 31, 2024 is as follows:

	Number of Warrants	Exercise Price
As at December 31, 2023	7,163,233	\$0.25
Granted	-	-
As at March 31, 2024	7,163,233	0.25



On September 14, 2023, the Company issued 6,036,567 share purchase warrants associated with the first tranche of the non-brokered private placement on September 14, 2023 (Note 12). Each warrant is exercisable at a price of \$0.25 into one common share with an expiry date of September 14, 2025.

On October 6, 2023, the Company issued 1,126,666 share purchase warrants associated with the first tranche of the non-brokered private placement on October 6, 2023 (Note 12). Each warrant is exercisable at a price of \$0.25 into one common share with an expiry date of October 6, 2025.

d) Escrowed Common Shares

As at March 31, 2024, 21,662,609 (December 31, 2023 – 21,662,609) Common Shares are subject to escrow.

13. CAPITAL MANAGEMENT

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.

The capital structure of Carbon Done Right consists of the following:

<i>(Canadian \$)</i>	March 31 2024	December 31 2023
Current assets	473,001	276,466
Current liabilities	(3,117,420)	(2,253,352)
Working capital (deficit) or net current assets (liabilities)	(2,644,419)	(1,976,886)
Lease liabilities – non-current	(1,853,958)	(1,826,044)
Shareholders' deficit	(14,310,016)	(13,529,555)

The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year over year sustainable growth. The Company is not subject to externally imposed capital requirements. There has been no change with respect to the overall capital risk management strategy during the period ended March 31, 2024.



14. SHARE-BASED PAYMENTS

a) Share-based incentive programs and payment plans

The Company has the following share-based compensation and payment plans:

Stock option plan (equity-settled)

The Company has established a stock option plan (the "2010 Rolling Option Plan"), approved by the shareholders on November 10, 2010, whereby the Company may grant stock options from time to time, subject to regulatory terms and approval, to employees, officers, directors and service providers of the Company to recognize the contributions made by individuals to the Company's growth and furnish an incentive to the future success and prosperity of the Company.

The 2010 Rolling Option Plan is based on the maximum number of eligible shares equaling a rolling percentage of up to 10% of the Company's outstanding Common Shares, calculated from time to time. Pursuant to the 2010 Rolling Option Plan, if outstanding stock options are exercised, or expired, and/or the number of issued and outstanding Common Shares of the Company increases, then the options available to grant under the plan increase proportionately. The exercise price of each option is set by the Board of Directors at the time of grant but cannot be less than the discounted market price, as calculated pursuant to the policies of the TSXV, or such other minimum price as may be required by the TSXV.

Stock options can have a maximum term of ten (10) years and typically terminate 90 days following the termination of the holder's employment or engagement, except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors and determined at the time the options are granted.

Common shares issued in exchange for goods received/services rendered (equity-settled)

The Company may issue Carbon Done Right Common Shares from time to time to service providers, vendors or consultants in exchange for services rendered to the Company, as determined by the Board of Directors.

b) Stock options

On February 27, 2023, the Company granted a total of 1,350,000 incentive stock options to a marketing consultant in consideration of the Optionee's ongoing services and contributions to the Company pursuant to the Company's equity incentive plan. Each option is exercisable to purchase one common share of the Company at a price of \$0.10 per common share, with an expiry date of February 27, 2025. The options vest as follows:

- a. One-quarter will be released on the date that is three months from February 27, 2023;
- b. One-quarter will be released on the date that is six months from February 27, 2023;
- c. One-quarter will be released on the date that is nine months from February 27, 2023; and
- d. One-quarter will be released on the date that is twelve months from February 27, 2023.

On April 20, 2023, the Company granted a total of 100,000 stock options to a consultant of the Company pursuant to the Company's equity incentive plan. Each option is exercisable to purchase one common



share of the Company at a price of \$0.20 per common share, with an expiry date of April 20, 2028. The options vest immediately.

On February 23, 2024, the Company issued 337,500 shares to Outside the Box Capital Inc. in relation to an option exercise at an exercise price of \$0.10.

The following table provides a summary of the Company's stock options:

		March 31 2024		December 31 2023
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
<i>(Canadian \$, except number of stock options)</i>				
Stock options				
Outstanding at beginning of year	3,500,000	0.306	5,374,040	0.334
Cancelled	-	-	(2,649,040)	0.332
Granted	-	-	1,450,000	0.110
Exercised	(337,500)	0.100	(675,000)	0.100
Outstanding at end of period	3,162,500	0.306	3,500,000	0.286
Weighted average remaining life		3.09 years		3.51 years
Vested and exercisable at end of period	3,162,500	0.306	3,162,500	0.306

The estimated fair value of the stock options granted during the period was calculated using the Black-Scholes model and the following assumptions:

	Period ended March 31 2024	Year ended December 31 2023
Share price on grant date	-	\$0.10
Exercise price	-	\$0.11
Expected life (years)	-	2.21
Expected volatility	-	95%
Risk-free interest rate	-	3.62%
Expected forfeiture rate	-	-
Expected dividend yield	-	-
Weighted average fair value per stock option	-	\$0.06

Estimated forfeiture rates are adjusted to the actual forfeiture rate at time of forfeiture. Expected volatility is based on the historical volatility of publicly traded peer companies. The risk-free interest rate is based on Government of Canada bonds of a similar duration.

For the period ended March 31, 2024, \$2,657 (2023 - \$nil) of share-based payment expense related to stock options was recognized in net loss.



c) Share-based compensation expenses

Carbon Done Right recorded the following equity-settled share-based payments as share-based compensation in net income (loss):

<i>(Canadian \$)</i>	Period ended	
	March 31, 2024	March 31, 2023
Stock options	2,657	-
Total share-based compensation expense	2,657	-

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Carbon Done Right's financial assets consist of cash and cash equivalents and accounts receivable and carbon credit streaming agreements.

Carbon Done Right's financial liabilities consist of accounts payable and accrued liabilities and derivative liability and, convertible debenture (Note 8).

The fair values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturities of those instruments.

The Company's convertible debenture is recorded at amortized cost using the effective interest method.

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 March 31, 2024 and December 31, 2023:

	March 31, 2024 \$	December 31, 2023 \$
Financial Assets		
Amortized cost:		
Cash	147,746	156,549
Accounts receivable	223,933	12,038
Fair value through profit or loss:		
Carbon credit streaming agreements	5,894,575	5,560,736
Financial Liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	2,459,080	2,031,500
Convertible debenture	435,849	392,107
Deferred liability	1,033,551	450,688
Fair value through profit or loss:		
Derivative liability	658,912	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.

The Company 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.

A 1% change in the value of the U.S. dollar and Guyanese dollar would have had no material impact on the net loss and comprehensive loss of the Company at March 31, 2024.

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 March 31, 2024 and December 31, 2023, 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 the Company 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 March 31, 2024, accounts receivable was \$223,933 (December 31, 2023 - \$12,038). This balance predominantly consists of a grant receivable from Cadmus International UK which has been received by the Company subsequent to March 31, 2024. 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.

The Company held cash and cash equivalents of \$147,746 at March 31, 2024 which represents its maximum credit exposure on these assets (December 31, 2023 - \$156,549). 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 the Company 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.

The Company 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	2,459,080	-	-	-	2,459,080
Convertible debenture	-	563,694	-	-	563,694
Derivative liability	-	1,686,958	-	-	1,686,958
Lease liability	223,405	446,810	446,810	14,639,801	15,756,826
	2,682,485	2,697,462	446,810	14,639,801	20,466,558

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.

16. RELATED PARTY BALANCES AND 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 period ended March 31:

<i>(Canadian \$)</i>	2024	2023
Consulting fees	165,683	214,900
Management fees	158,400	-
	324,083	214,900



Included in related party consulting fees for the period ended March 31, 2024, a minority shareholder of Pomeroon Suriname N.V (a subsidiary of the Company) charged \$26,316 (December 31, 2023 - \$105,300) 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 period ended March 31, 2024, the Company advanced \$Nil (December 31, 2023 - \$1,721,226) 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. See Note 7 for details.

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 March 31, 2024, the Company owes \$877,210 (December 31, 2023 - \$552,142) to directors or officers of the Company. This balance includes a \$100,000 loan due to related party (Note 9) (December 31, 2023 - \$Nil). The amount owed was recorded in accounts payable and accrued liabilities in the statement of financial position.

17. SUPPLEMENTARY CASH FLOW INFORMATION

The following table reconciles the net changes in non-cash working capital, excluding the non-cash working capital acquired on acquisitions, from the statement of financial position to the statements of cash flows and details interest received:

<i>(Canadian \$)</i>	March 31, 2024	March 31, 2023
Net changes in non-cash working capital:		
Prepaid expenses and deposits	5,262	(75,368)
Inventory	1,295	4,344
Accounts receivable	(211,895)	(52,514)
Accounts payable and accrued liabilities	327,107	120,897
Total net changes in non-cash working capital	121,769	(2,641)



18. SEGMENTED REPORTING

The net loss by segment for the period ended March 31, 2024 and 2023 are as follows:

<i>(Canadian \$)</i>	Period ended March 31, 2024				Period ended March 31, 2023			
	Guyana	Suriname	Corporate	Total	Guyana	Suriname	Corporate	Total
Revenue	26,924	-	-	26,924	45,653	-	-	45,653
Cost of goods sold	(35,417)	-	-	(35,417)	(115,926)	-	-	(115,926)
Expenses								
General and administrative	(21,476)	(69,759)	(812,402)	(903,637)	(126,285)	-	(599,314)	(725,599)
Share-based payments	-	-	(2,657)	(2,657)	-	-	-	-
Total expenses	(21,476)	(69,759)	(815,059)	(906,294)	(126,285)	-	(599,314)	(4,719,369)
Other	(31,653)	(20,510)	126,801	74,638	(69,138)	-	(21,885)	(91,023)
Net loss	(61,622)	(90,269)	(688,258)	(840,149)	(265,696)	-	(621,199)	(886,895)

The segment assets and liabilities as at March 31, 2024 and December 31, 2023 are as follows:

<i>(Canadian \$)</i>	March 31, 2024				December 31, 2023			
	Guyana	Suriname	Corporate	Total	Guyana	Suriname	Corporate	Total
Segment assets	3,259,129	237,583	8,527,792	12,024,504	2,344,528	520,688	8,642,809	11,508,025
Segment liabilities	(4,335,631)	(666,261)	(2,097,798)	(7,099,690)	(2,889,642)	(571,680)	(2,331,681)	(5,793,003)



19. SUBSEQUENT EVENTS

- a. On April 16, 2024, the Company completed the milestones required for the fourth disbursement under the pre-purchase agreement with BP Carbon Trading Limited. The Company received USD \$250,000 in accordance with the payment schedule set out on the pre-purchase agreement.

- b. On July 5, 2024, the Company completed the milestones required for the fifth disbursement under the pre-purchase agreement with BP Carbon Trading Limited. The Company received USD \$250,000 in accordance with the payment schedule set out on the pre-purchase agreement.