CARBON STREAMING

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

INTRODUCTION

This management's discussion and analysis ("**MD&A**") is management's assessment of the significant activities of Carbon Streaming Corporation ("**Carbon Streaming**" or the "**Company**") and analyzes the financial results for the three and nine months ended September 30, 2023. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2023, the related notes thereto (the "**Interim Financial Statements**") and the Company's audited consolidated financial statements for the six month period ended December 31, 2022 (the "**Annual Financial Statements**"), which are available for viewing on www.sedarplus.ca. The effective date of this MD&A is November 14, 2023.

Financial information in this document is expressed in United States dollars, unless otherwise indicated, and is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). Tabular amounts are expressed in thousands of United States dollars, unless otherwise indicated.

The Company's common shares ("**Common Shares**") are listed on the Neo Exchange Inc. ("**NEO Exchange**") under the symbol "NETZ", the warrants that expire in March 2026 are listed on the NEO Exchange under the symbol "NETZ.WT" and the warrants that expire in September 2026 are listed on the NEO Exchange under the symbol "NETZ.WT.B". The Common Shares are also traded on the OTCQB Markets under the symbol "OFSTF" and are listed on the Frankfurt Stock Exchange under the symbol "M2Q".

Management is responsible for the preparation and integrity of the Company's Interim Financial Statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's Interim Financial Statements and MD&A, is complete and reliable.

This MD&A contains forward-looking statements that involve risks and uncertainties. Although such information is considered to be accurate, actual results may differ materially from those anticipated in the statements made. See "Advisories" of this MD&A for further information. Additional information on the Company is available for viewing on SEDAR+ at www.sedarplus.ca.

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DESCRIPTION OF BUSINESS

Carbon Streaming Corporation is a carbon credit streaming and royalty company focused on creating shareholder value primarily through the acquisition and sale of carbon credits. We provide capital to carbon projects globally, primarily by entering into or acquiring streaming, royalty or other similar arrangements for the purchase of carbon credits from the underlying project and then generate cash flow from the sale of these carbon credits. Through these financing arrangements, our strategic interests are aligned with our project partners, so we are able to source high integrity projects that advance global climate action and additional United Nations Sustainable Development Goals ("**UN SDGs**"). This helps position us as a trusted source for buyers seeking high-quality carbon credits. Our aim is to accelerate a net-zero future by making an impact with our capital and facilitating immediate climate action.

The Company currently has carbon credit streams and royalties related to over 20 projects around the world, including high-integrity removal and avoidance projects from nature-based, agricultural, engineered and community-based methodologies. See "Overview of Carbon Credit Streaming and Royalty Agreements" of this MD&A for details of the Company's streams / royalties in each project. The Company focuses on projects that have a positive impact on the environment, local communities, and biodiversity ("**Co-Benefits**"), in addition to their carbon reduction or removal potential.

The Company intends to continue executing its strategy by:

(i) entering into or acquiring streaming, royalty or royalty-like arrangements with project developers/operators, non-governmental organizations (NGOs), non-profit organizations, companies, individuals or governments to purchase carbon credits generated by their project(s) or asset(s);

(ii) acquiring or investing, in the form of equity, debt or other forms of investment, in carbon credits or entities, assets or properties involved in the origination, generation, monitoring, or management of carbon credits or related businesses; and

(iii) marketing and selling carbon credits to maximize value for all of our stakeholders and deliver long-term cash flow to project partners, the projects and local communities.

(Tabular amounts expressed in thousands of United States dollars, unless otherwise indicated)

COMPANY HIGHLIGHTS

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Carbon credit streaming agreements				
Revaluation of carbon credit streaming and royalty agreements	**$ 1,792**	$ -	**$ (8,945)**	$ -
Settlements from carbon credit streaming and royalty agreements[1]	**13**	-	**55**	-
Purchased carbon credits				
Revenue from sale of purchased carbon credits	**$ 260**	$ 27	**$ 325**	$ 29
Number of purchased carbon credits sold (carbon credits)[2]	**41,593**	2,192	**50,735**	2,354
Average realized price per purchased carbon credit sold ($/carbon credit)	**6.25**	12.32	**6.41**	12.32
Cost per purchased carbon credit sold ($/carbon credit)	**5.00**	5.00	**5.00**	5.00
Other financial highlights				
Other operating expenses	**2,609**	5,317	**9,344**	13,278
Operating loss	**(765)**	(5,301)	**(18,218)**	(13,295)
Net income (loss)	**718**	(2,409)	**(9,409)**	75,757
Earnings (loss) per share (Basic) ($/share)	**0.02**	(0.05)	**(0.20)**	1.62
Earnings (loss) per share (Diluted) ($/share)	**0.02**	(0.05)	**(0.20)**	1.54
Adjusted net loss[3]	**(1,699)**	(5,327)	**(5,361)**	(13,321)
Adjusted net loss per share (Basic and Diluted) ($/share)[3]	**(0.04)**	(0.11)	**(0.11)**	(0.28)
Statement of financial position				
Cash[4]	**54,401**	72,683	**54,401**	72,683
Carbon credit streaming and royalty agreements[4]	**82,024**	78,698	**82,024**	78,698
Total assets[4]	**142,043**	156,939	**142,043**	156,939
Non-current liabilities[4]	**1,262**	889	**1,262**	889

(1) Relates to the net cash proceeds generated from the Company's carbon credit streaming and royalty agreements.

(2) The Company holds an inventory of carbon credits, which were acquired separate and apart from carbon credits delivered under the Company's carbon credit streaming agreements.

(3) "Adjusted net loss", including per share amounts, is a non-IFRS financial performance measure that is used in this MD&A. This measure does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. For more information about this measure, why it is used by the Company, and a reconciliation to the most directly comparable measure under IFRS, see the "Non-IFRS Measures" section of this MD&A.

(4) Cash, carbon credit streaming and royalty agreements, total assets and non-current liabilities are presented as at the relevant tabular reporting date.

Three and nine months ended September 30, 2023

- Ended the quarter with $54.4 million in cash and no corporate debt.
- Received delivery of carbon credits from two of the Company's carbon credit streaming agreements. Additionally, a project for which the Company holds a carbon credit royalty agreement was issued carbon credits.
- Initiated an ongoing corporate restructuring plan focused on cash flow optimization, including reducing operating expenses and reviewing existing streams and royalties, which resulted in a non-recurring restructuring charge of $1.8 million for the nine months ended September 30, 2023. As a result of ongoing restructuring activities, including personnel reductions, other operating expenses have decreased by $3.9 million for the nine months ended September 30, 2023 when compared to the prior-year period. The Company will continue to target opportunities for cash flow optimization in coming quarters.
- Revenue from sale of purchased carbon credits of $260 thousand and $325 thousand for the three and nine months ended September 30, 2023, respectively (three and nine months ended September 30, 2022 – revenue of $27 thousand and $29 thousand, respectively).
- Sold 41,593 and 50,735 purchased carbon credits for the three and nine months ended September 30, 2023, respectively (three and nine months ended September 30, 2022 – sold 2,192 and 2,354 purchased carbon credits, respectively). Revenue from sale of purchased carbon credits relates to the sale of the Company's carbon credits that were acquired separate and apart from the Company's carbon credit streaming and royalty agreements.
- Generated $13 thousand and $55 thousand in cash settlements from carbon credit streaming and royalty agreements for the three and nine months ended September 30, 2023, respectively.
- Recognized net income of $0.7 million and net loss of $9.4 million for the three and nine months ended September 30, 2023, respectively (three and nine months ended September 30, 2022 – net loss of $2.4 million and net income of $75.8 million, respectively).
- Adjusted net loss was $1.7 million and $5.4 million for the three and nine months ended September 30, 2023, respectively (three and nine months ended September 30, 2022 – adjusted net loss of $5.3 million and $13.3 million, respectively). Please see the "Non-IFRS Measures" section of this MD&A for further information.
- During the three and nine months ended September 30, 2023, paid $2.1 million and $7.0 million in upfront deposits for carbon credit streaming and royalty agreements, respectively (three and nine months ended September 30, 2022 - $11.7 million and $15.1 million, respectively).
- For the three and nine months ended September 30, 2023, the Company recognized an impairment loss on the investment in associate of $1.0 million. Please see the "Investment in Associate and Early Deposit Interest" section of this MD&A for further information.

QUARTERLY PORTFOLIO HIGHLIGHTS

The Company continues to support its existing streams and royalties through project development, and the marketing and selling of carbon credits. Key developments in the projects under the Company's stream and royalty agreements for the quarter include:

Feather River Reforestation Stream: In September 2023, the Company and Mast (as defined herein) entered into a stream agreement for the Feather River Reforestation project, the second stream under the pipeline agreement. This project is expected to remove a total of approximately 50,000 tCO_2e and generate an equivalent number of carbon removal credits, referred to as Forecasted Mitigation Units ("**FMUs**") under the Climate Action Reserve's Climate Forward program with FMU issuance anticipated in 2025. During the quarter, the Company made upfront deposit payments of $0.3 million. The Company will make additional upfront deposit payments of up to $0.4 million (resulting in a total upfront deposit of $0.7 million) as the Feather River Reforestation project achieves site preparation, planting, and issuance milestones.

Nalgonda Rice Farming Stream: In July 2023, the Company amended the terms of the Nalgonda Rice Farming Stream, resulting in a $0.8 million decrease in total committed upfront deposit payments and a higher ongoing delivery payment. Additionally, in September 2023, Core CarbonX (as defined herein) completed its submission of the first validation report for the Nalgonda Rice Farming methane avoidance grouped project to Verra, the non-profit institution that manages the Verified Carbon Standard and its registry.

Waverly Biochar Stream and Waverly Biochar Royalty: In July 2023, the Company amended the terms of the Waverly Biochar Stream, resulting in a $1.6 million increase in the upfront deposit payments and a lower ongoing delivery payment. Additionally, the Company also entered into the Waverly Biochar Royalty (as defined herein). Under the terms of the Waverly Biochar Royalty, Carbon Streaming will receive a revenue royalty on volume of biochar sold from the project over its 25-year life.

Magdalena Bay Blue Carbon Stream: In July 2023, the Company amended the terms of the Magdalena Bay Blue Carbon Stream. Under the amended terms of the stream, the Company will receive the greater of 300,000 carbon credits or 30% of carbon credits generated by the project on an annual basis, an increase from the previous terms (which were the greater of 200,000 carbon credits or 20% of the carbon credits generated by the project on an annual basis). This also resulted in a $3.0 million increase in upfront deposit payments.

(Tabular amounts expressed in thousands of United States dollars, unless otherwise indicated)

CARBON CREDIT STREAMING AND ROYALTY AGREEMENTS

A summary of the key terms of the Company's streams and royalties as at September 30, 2023, are set forth below. See "Overview of Carbon Credit Streaming and Royalty Agreements" section of this MD&A for additional information on the Company's carbon credit streaming or royalty agreement for each project.

Stream / Royalty Partner	Project Information					Stream Information				
	Location	Activity Type	Registry / Credit Type	Expected Credit Issuance Over Project Life [1]	Project Start Year	Total Upfront Deposit [2]	Stream Funding Status (Upfront Deposit amount paid) (%)	Expected Initial Crediting Period of Stream or Royalty [3]	Expected Year of First Credit Delivery to the Company [4]	Stream / Royalty Status [5]
Streams										
Rimba Raya InfiniteEARTH Limited and PT Infinite Earth Nusantara	Central Kalimantan, Borneo, Indonesia	Avoidance / Reduction REDD+ (AFOLU)	SRN (SPE – GRK)	174 million	2009	$26.3 million[6]	100%	50 years[7]	–[8]	Pre-Delivery
Magdalena Bay Blue Carbon Fundación MarVivo Mexico, MarVivo Corporation	Magdalena Bay, Baja California Sur, México	Avoidance / Reduction To be developed be developed as a REDD+ (AFOLU / Blue Carbon)	Verra (VCU) (Planned)	25 million	2020	$7.8 million	30.7%	30 years	2024	Development
Cerrado Biome ERA Cerrado Assessoria e Proyectos Ambientais Ltd.	Cerrado, Brazil	Avoidance / Reduction REDD+ (AFOLU / ACoGS)	Verra (VCU)	13 million	2017	$0.5 million	74.4%	30 years	2023	Delivering
Waverly Biochar Waverly RB SPE LLC[9]	Virginia, United States	Removal / Sequestration Biochar	Puro.earth (CORC)	0.262 million	2023	$2.95 million	68.1%	25 years	2024	Development
Sustainable Community (2 Projects) Will Solutions Inc.	Quebec, Canada Ontario, Canada	Avoidance / Reduction Energy Efficiency / Waste Diversion / Transport	Verra (VCU)	100 million	2010	$20 million	20%	10 years[10]	2024	Pre-Delivery
Community Carbon (7 Projects) Community Carbon and UpEnergy Group	Uganda Mozambique Tanzania Zambia Malawi	Avoidance / Reduction Cookstove / Water purification[11]	Gold Standard (VER) / Verra (VCU)[12]	50 million	2020	$20 million	45.6%	15 years	2023	Delivering
Nalgonda Rice Farming Core CarbonX Solutions Pyt Ltd. and Core CarbonX Solutions Private Limited	Telangana State, India	Avoidance / Reduction Agriculture Land Management (AFOLU)	Verra (VCU)	2.5 million	2022	$2.44 million	63.5%	7 years	–[13]	Development
Enfield Biochar Standard Biocarbon[14]	Maine, United States	Removal / Sequestration Biochar	Puro.earth (CORC)	0.9 million	2023[15]	$1.3 million	76.9%	30 years	2024	Development
Sheep Creek Reforestation Mast Reforestation SPVI, LLC	Montana, United States	Reforestation	Climate Action Reserve (FMUs)	0.225 million	2025	$3.78 million	36.5%	2 years	2025 [16]	Development
Feather River Reforestation Mast Reforestation SPVI, LLC	Montana, United States	Reforestation	Climate Action Reserve (FMUs)	0.05 million	2025	$0.7 million	36.5%	1 year	2025 [16]	Development
Royalties										
Bonobo Peace Forest (2 Projects) Bonobo Conservation Initiative	The Democratic Republic of Congo	Avoidance / Reduction REDD+ (AFOLU)	Verra (VCU)	N/A	N/A	$2.3 million	100%	30 years	N/A	Development

(Tabular amounts expressed in thousands of United States dollars, unless otherwise indicated)

Stream / Royalty Partner	Project Information					Stream Information				
	Location	Activity Type	Registry / Credit Type	Expected Credit Issuance Over Project Life (1)	Project Start Year	Total Upfront Deposit (2)	Stream Funding Status (Upfront Deposit amount paid) (%)	Expected Initial Crediting Period of Stream or Royalty (3)	Expected Year of First Credit Delivery to the Company (4)	Stream / Royalty Status (5)
FCG Amazon Portfolio (4 Projects) Future Carbon International LLC	Brazil	Avoidance / Reduction REDD+ (AFOLU)	Verra (VCU)	N/A	N/A	$3.0 million	100%	30 years	N/A	Pre-Delivery

(1) The share of carbon credits from each project issued to the Company under each stream / royalty agreement varies based on the specific contractual terms. See the "Overview of Carbon Credit Streaming and Royalty Agreements" section of this MD&A. The Company receives royalty payments and not carbon credits under its royalty agreements.

(2) Total upfront deposit amounts assume all milestones will be realized and all installments paid in full.

(3) The term of a streaming / royalty agreement commences on the effective date of the agreement. The initial crediting period of the stream / royalty typically commences upon delivery of first credits to the Company and can be extended should the project(s) continue to issue carbon credits beyond the current or expected crediting period of the project. See the "Overview of Carbon Credit Streaming and Royalty Agreements" section of this MD&A.

(4) The Expected Year of First Credit Delivery to the Company refers to the year in which the Company expects to receive its first issuance of carbon credits under the terms of each carbon credit streaming agreement. See "Overview of Carbon Credit Streaming and Royalty Agreements" and "Portfolio Highlights" sections of this MD&A for further information.

(5) The Company classifies its streams and royalties in five categories with reference to the stage of each project ranging from developing to delivery of carbon credits to the Company. See the "Project Streaming Agreement Classification Criteria" section of this MD&A.

(6) Only includes cash amounts paid under the Rimba Raya Stream. Excludes the dollar value of share consideration granted under the SAA.

(7) Under the SRN registry, Rimba Raya is expected to have a project lifetime until 2073.

(8) Given the ongoing verification of the Rimba Raya project under the new SRN system and pending regulatory developments, the expected year of first credit delivery remains unknown at this time.

(9) The Company will also receive a revenue royalty on value of biochar sold by Waverly RB. See the "Overview of Carbon Credit Streaming and Royalty Agreements" section of this MD&A.

(10) Under the Sustainable Community Stream, the Company has the option to extend the stream for additional consideration of $0.45 per VCU delivered adjusted for inflation based on the Canadian Consumer Price Index.

(11) Three of the underlying projects are cookstove projects and four of the underlying projects are water purification projects.

(12) One of the cookstove projects is registered under Verra. The remaining six projects are registered under Gold Standard.

(13) First issuance of carbon credits is currently expected in 2024 but may be delayed due to Verra's review of the current project methodology. See the "Overview of Carbon Credit Streaming and Royalty Agreements" section of this MD&A.

(14) The Company will also receive a revenue royalty on value of biochar sold by Standard Biocarbon. See the "Overview of Carbon Credit Streaming and Royalty Agreements" section of this MD&A.

(15) Project Start Year reflects the calendar year the project is currently expected to start project activities.

(16) The methodology applied under Climate Action Reserve's Climate Forward program is specifically intended for forward financing. FMUs for each project or project area are issued in one tranche following confirmation which occurs approximately one year after planting to ensure seedling survival beyond the highest mortality period, and can be retired to mitigate future anticipated emissions or can be converted to Climate Action Reserve tonnes with post monitoring and verification.

Project Streaming Agreement Classification Criteria

Management has developed five distinct categories corresponding to the status of each of its stream / royalty agreements for additional context to better evaluate the Company's portfolio. In classifying each of its streams / royalties, management considers, among other things, the following criteria: (i) whether the project is actively delivering carbon credits to the Company under the stream; (ii) the significance of any outstanding milestones, regulatory or otherwise, that need to be met prior to carbon credits being delivered to the Company under the stream; (iii) the status of the underlying project under its applicable standard body (for example, for the projects under Verra (VCS), whether the project is under development or fully registered); and (iv) management's internal projections and judgement regarding project viability, proximity to completion, and overall risk profile of delivery. The classification for each stream / royalty within these categories is a matter of professional judgment and each classification for each stream / royalty is revisited at the end of each reporting period.

Delivering

For a stream / royalty to be categorized as "Delivering", the Company has received carbon credits under the stream (or royalty payments under the royalty) and must remain actively receiving such credits/ payments through the customary cycle of the agreement. This also means that the underlying project(s) has been fully registered by the applicable standard and has produced carbon credits and delivered them to the Company under the terms of the agreement. As a result, a stream / royalty categorized as "Delivering" is expected to generate revenue and operating cash flow to the Company in the near-term.

Pre-Delivery

This category is intended to identify the streams / royalties that have not yet delivered any carbon credits (or royalty payments) to the Company, but all development activities for the underlying project are substantially complete and the third-party audit has been scheduled or the third-party audit is in progress or is complete. In most cases, management views the delivery of carbon credits for streams (or royalty payments for royalties) categorized as "Pre-Delivery" to be probable given the progress of the underlying project and is only further subject to regulatory or standard body timelines to realize carbon credit issuance. Management views first delivery of carbon credits to be probable within the next 12 months as of the reporting date.

Development

This category is intended for streams / royalties that have not yet delivered any carbon credits (or royalty payments) to the Company and are at an earlier stage of project development than the projects in the "Pre-Delivery" category. A stream / royalty on a project that has not yet completed the milestones listed in the above category will be classified as "Development". The ability for these streams / royalties to ultimately deliver carbon credits or royalty payments is contingent on project execution and completion of the initial third-party audit in accordance with the standard body, resulting in a higher risk asset.

Suspended

This category is intended for streams / royalties that were previously in other categories but are no longer delivering or expected to deliver carbon credits (or royalty payments) to the Company due to the underlying project being no longer validated, having been deregistered or otherwise based on management's assessment. Under a "Suspended" classification, the project is still expected to restart its delivery of credits.

Expired

This category is intended for streams / royalties that were previously in the "Delivering" category, but the term of the stream or royalty has expired, the agreement has been terminated or the Company believes that no further credits will be delivered under the stream or payments made under the royalty. The fair value of streams / royalties in this category is $nil.

As at September 30, 2023, the Company's portfolio contained carbon credit streaming and royalty arrangements in the Delivering, Pre-Delivery and Development phase.

OVERVIEW OF CARBON CREDIT STREAMING AND ROYALTY AGREEMENTS

The following is a summary of the Company's carbon credit streaming and royalty agreements. For a full summary of the various projects associated with the Company and its carbon credit sales, investors are urged to review the section of the Company's most recently filed Annual Information Form ("**AIF**") entitled "Overview of the Company's Carbon Credit Projects" a copy of which is available on SEDAR+ at www.sedarplus.ca.

Rimba Raya Stream

On July 30, 2021, the Company entered into a carbon credit streaming agreement with InfiniteEARTH Limited, covering the Rimba Raya project, a REDD+ (Reducing Emissions from Deforestation and Forest Degradation) project that has been conserving tropical lowland peat swamp forests in Central Kalimantan, Indonesia for over a decade (the "**Rimba Raya Stream**").

Under the terms of the Rimba Raya Stream, InfiniteEARTH Limited and its wholly-owned Indonesian subsidiary PT InfiniteEARTH Nusantara, the project operators of the Rimba Raya project (collectively "**InfiniteEARTH**") will deliver 100% of the carbon credits generated by the Rimba Raya project over the remaining 50 year life of the project (which is expected to run until 2073) for sale by the Company, less up to 635,000 carbon credits per annum that are already committed to previous buyers. Carbon Streaming is responsible for marketing and selling the carbon credits delivered to it under the stream and will make ongoing delivery payments to InfiniteEARTH for each carbon credit that is sold by the Company.

Concurrent with the Rimba Raya Stream, the Company and the founders of InfiniteEARTH (the "**Founders**") also entered into a strategic alliance agreement (the "**SAA**"). Under the SAA, the Founders have agreed to provide consulting services to the Company, which will consist of carbon project advisory services, carbon credit marketing and sales services, as well as assisting the Company with due diligence initiatives on new potential carbon investment opportunities. In addition, the SAA provides Carbon Streaming with a right of first refusal on any carbon credit streaming or royalty financing transaction for projects that are planned in the future, which includes a portfolio of blue carbon credit projects throughout the Americas.

In December 2022, the Rimba Raya project received validation under the new Indonesian carbon regulation, Regulation No. 21 of 2022 ("**Reg 21**") and with the government-operated carbon registry, *Sistem Registri Nasional Pengendalian Perubahan Iklim* ("**SRN**"). The verification process commenced in the first quarter of 2023 and remains ongoing. See "Strategy and Outlook – Indonesia Update" section of this MD&A for further information. Under Reg 21, all carbon projects in Indonesia must be registered, validated, and verified on the SRN carbon registry.

Osisko Gold Royalties Ltd (“**Osisko**”), which has certain Stream Participation Rights (as defined herein) in respect of the Company’s streaming agreements, had previously provided notice to the Company that it had elected in principle to exercise its Stream Participation Right in respect of the Rimba Raya Stream and the SAA. However, in November 2023, Osisko provided notice to the Company that it will not proceed with exercising its Rimba Raya Stream Participation Right. This resulted in the Rimba Raya Stream Participation Right expiring subsequent to period end. See “Commitments” section of this MD&A and Notes 15 and 17 of the Interim Financial Statements.

Magdalena Bay Blue Carbon Stream

On May 13, 2021, the Company entered into a carbon credit streaming agreement with Fundación MarVivo Mexico, A.C. and MarVivo Corporation (“**MarVivo**”) to implement the proposed Magdalena Bay Blue Carbon Conservation Project in Magdalena Bay in Baja California Sur, Mexico which is focused on the conservation of mangrove forests and their associated marine habitat (the “**Magdalena Bay Blue Carbon Stream**”). In July 2023, the Company amended the terms of the Magdalena Bay Blue Carbon Stream. Under the revised terms of the Magdalena Bay Blue Carbon Stream, MarVivo will deliver the greater of 300,000 carbon credits or 30% of verified credits generated by the project on an annual basis, for a term of 30 years starting on date of the first delivery of carbon credits. The Company is responsible for marketing and selling the carbon credits delivered to it under the stream and will make ongoing delivery payments to MarVivo for each carbon credit that is sold by the Company.

On December 7, 2022, Osisko exercised its right to participate in and acquire a portion of the Magdalena Bay Blue Carbon Stream. Pursuant to the exercise of Osisko's Stream Participation Rights, Osisko entered into a royalty agreement with the Company (the “**Magdalena Bay Blue Carbon Stream Participation Royalty**"), pursuant to which it is obligated to fund a portion of the remaining upfront deposit as such amounts are due. Osisko did not elect to participate in the amendment to the Magdalena Bay Blue Carbon Stream (described above). As a result, the Magdalena Bay Blue Carbon Stream Participation Royalty will be settled in cash based on a portion of the net cash flows calculated using the original terms of the Magdalena Bay Blue Carbon Stream, prior to the July 2023 amendment.

Cerrado Biome Stream

On September 13, 2021, the Company announced that it had entered into a carbon credit streaming agreement with ERA Cerrado Assessoria e Projectos Ambientais Ltd. (“**ERA**”) to implement and scale the Cerrado Biome project, which is aimed at protecting native forests and grasslands in the Cerrado Biome, Brazil (the “**Cerrado Biome Stream**”). Under the terms of the Cerrado Biome Stream, ERA will deliver 100% of the carbon credits created by the project to the Company, less any pre-existing delivery obligations, for a term of 30 years. The Company is responsible for marketing and selling the carbon credits delivered to it under the stream and makes ongoing delivery payments to ERA for each carbon credit that is sold by the Company.

Waverly Biochar Stream and Waverly Biochar Royalty

On May 11, 2022, the Company entered into a carbon credit streaming agreement with Waverly RB SPE LLC ("**Waverly RB**"), a subsidiary of Restoration Bioproducts LLC, to support the construction of a biochar production facility in Waverly, Virginia, United States (the "**Waverly Biochar Stream**"). Under the terms of the Waverly Biochar Stream, Waverly RB will deliver 100% of the CO_2 Removal Certificates ("**CORCs**") (referred to herein as carbon credits) generated by the project to the Company, for a term of 25 years starting on the date of the first delivery of the carbon credits. The Company is responsible for marketing and selling the carbon credits delivered to it under the stream and will make ongoing delivery payments to Waverly RB for each carbon credit that is sold by the Company. In July 2023, the Company amended the terms of the Waverly Biochar Stream, resulting in an increase in the upfront deposit amount and a lower ongoing delivery payment.

Additionally, the Company also entered into a royalty agreement with Waverly RB (the "**Waverly Biochar Royalty**"). Under the terms of the Waverly Biochar Royalty, Carbon Streaming will receive a revenue royalty on volume of biochar sold by Waverly RB. The Waverly Biochar Royalty will be settled in cash.

Sustainable Community Stream

On June 20, 2022, the Company entered into a carbon credit streaming agreement with Will Solutions Inc. ("**Will Solutions**") to scale its Sustainable Community project in Quebec, Canada and develop and scale its Sustainable Community project in Ontario, Canada (the "**Sustainable Community Stream**"). Under the terms of the Sustainable Community Stream, Will Solutions will deliver 50% of the carbon credits created by the projects to the Company, of up to a maximum of 44.1 million credits. The Company is responsible for marketing and selling the carbon credits delivered to it under the stream and will make ongoing delivery payments to Will Solutions for each carbon credit that is sold by the Company.

Community Carbon Stream

On August 16, 2022, the Company closed a carbon credit streaming agreement with Community Carbon and UpEnergy Group to bring fuel-efficient cookstoves and water purification devices to millions of households in eastern and southern Africa under a grouped project model (the "**Community Carbon Stream**"). Under the terms of the Community Carbon Stream, Community Carbon will deliver a portion of the carbon credits created by the seven projects to the Company, for a term of 15 years.

Nalgonda Rice Farming Stream

On September 28, 2022, the Company entered into a carbon credit streaming agreement with Core CarbonX Solutions Pvt Ltd. and its services provider, Core CarbonX Solutions Private Limited (collectively, "**Core CarbonX**"), to develop its Nalgonda Rice Farming methane avoidance grouped project located in the Nalgonda District, Telangana State, India (the "**Nalgonda Rice Farming Stream**"). Under the terms of the Nalgonda Rice Farming Stream, Core CarbonX will deliver 100% of the carbon credits generated by the project for a term of seven (7) years. The Company is responsible for marketing and selling the carbon credits delivered to it under the stream and will make ongoing delivery payments to Core CarbonX for each carbon credit that is sold by the Company. In July 2023, the Company amended the terms of the Nalgonda Rice Farming Stream, resulting in a reduction in the upfront deposit amounts and a higher ongoing delivery payment.

Enfield Biochar Stream and Enfield Biochar Royalty

On November 1, 2022, the Company entered into a carbon credit streaming agreement and an associated royalty agreement with Standard Biocarbon Corporation ("**Standard Biocarbon**") to support the construction of a biochar pyrolysis pilot facility in Enfield, Maine, United States (the "**Enfield Biochar Stream**"). Under the terms of the Enfield Biochar Stream, Standard Biocarbon will deliver 100% of the CORCs (referred to herein as carbon credits) generated by the project to the Company, for a term of 30 years starting on the date of the first delivery of carbon credits. The Company is responsible for marketing and selling the carbon credits delivered to it under the stream and will make ongoing delivery payments to Standard Biocarbon for each carbon credit that is sold by the Company.

Concurrent with entering into the Enfield Biochar Stream, the Company also entered into a royalty agreement with Standard Biocarbon (the "**Enfield Biochar Royalty**"). Under the Enfield Biochar Royalty, Carbon Streaming will receive a revenue royalty on volume of biochar sold by Standard Biocarbon. The Enfield Biochar Royalty will be settled in cash.

Sheep Creek Reforestation Stream

On May 10, 2023, the Company entered into a carbon credit streaming agreement with Mast Reforestation SPV I, LLC ("**Mast**") for a post-wildfire reforestation project at the Sheep Creek Ranch in Montana, United States (the "**Sheep Creek Reforestation Stream**"). The Sheep Creek Reforestation Stream is the first stream under a pipeline agreement with Mast. Under the terms of the Sheep Creek Reforestation Stream, Mast will deliver 100% of the FMUs (referred to herein as carbon credits) created by the project to the Company, which are expected to be issued in 2025 and 2026. The Company is responsible for marketing and selling the carbon credits delivered to it under the stream and will make ongoing delivery payments to Mast for each carbon credit that is sold by the Company.

Feather River Reforestation Stream

On September 14, 2023, the Company entered into a carbon credit streaming agreement with Mast for a post-wildfire restoration project located in Butte County, California, USA (the "**Feather River Reforestation Stream**"). Under the terms of the Feather River Reforestation Stream, Mast will deliver 100% of the FMUs (referred to herein as carbon credits) created by the project to the Company, which are expected to be issued in 2025. The Company is responsible for marketing and selling the carbon credits delivered to it under the stream and will make ongoing delivery payments to Mast for each carbon credit that is sold by the Company.

Bonobo Peace Forest Royalty

On September 8, 2022, Bonobo Conservation Initiative ("**BCI**") and the Company entered into a royalty agreement (the "**Bonobo Peace Forest Royalty**"), covering carbon credit revenues generated from the two projects within the Bonobo Peace Forest ("**Bonobo Peace Forest Projects**") located in the Democratic Republic of the Congo. The Bonobo Peace Forest Royalty will be settled in cash.

Future Carbon Group Amazon Portfolio Royalty

On September 8, 2022, the Company entered into a royalty agreement (the "**FCG Amazon Portfolio Royalty**") with Future Carbon International LLC ("**Future Carbon**") covering carbon credit revenues generated by Future Carbon from its interest in four REDD+ projects in the Amazon, Brazil (the "**FCG Amazon Portfolio**"). The FCG Amazon Portfolio Royalty will be settled in cash.

INVESTMENT IN ASSOCIATE AND EARLY DEPOSIT INTEREST

The Company holds a 50% equity interest in Carbon Fund Advisors Inc. ("**Carbon Fund Advisors**") which was acquired at a cost of $1.8 million. Carbon Fund Advisors is the fund sponsor of the Carbon Strategy ETF (NYSE: KARB) and the investment supports Carbon Fund Advisors' launch and ongoing management of the Carbon Strategy ETF, an actively managed thematic exchange traded fund that aims to provide investors exposure to the growing compliance carbon markets.

The Company reviewed and assessed indicators of impairment for the investment in Carbon Fund Advisors under IAS 28 *Investments in Associates and Joint Ventures* ("**IAS 28**") and determined that, as a result of continued operating losses and deteriorating outlook pertaining to future sources of income, indicators of impairment exist as at September 30, 2023. In accordance with IAS 36 *Impairment of Assets* ("**IAS 36**"), an impairment loss of $1.0 million was recognized during the three and nine months ended September 30, 2023. Please see Note 9 of the Interim Financial Statements for further information.

On July 12, 2022, the Company executed a term sheet with Citadelle Maple Syrup Producers' Cooperative ("**Citadelle**") pursuant to which the Company provided $0.3 million of upfront funding for a grouped sugar maple afforestation, reforestation, revegetation and ecosystem restoration project in Quebec, Canada. The initial funding from the Company enabled Citadelle to achieve initial planting in the Fall 2022 and was intended to support additional plantings. In the third quarter of 2023, the Company decided not to move forward with Citadelle's restoration project. As a result, the Company's early deposit interest was reclassified as an amount receivable as at September 30, 2023. The Company expects repayment of its upfront funding and accrued interest in the fourth quarter of 2023.

CONVERTIBLE NOTE

On May 10, 2023, the Company invested $2.0 million into the parent company of Mast through a convertible note (the "**Convertible Note**"). The Convertible Note has a face value of $2.0 million and bears annual compound interest at 6%, with a maturity date of December 31, 2024. The Company recognized a gain on revaluation of the Convertible Note of $0.6 million for the three and nine months ended September 30, 2023.

In October 2023, the Convertible Note converted into preferred shares of the parent company of Mast upon the execution of a qualifying financing event, resulting in 1.3 million preferred shares being issued to the Company.

CARBON MARKETS AND PRICING

Several factors influence the price paid for a particular voluntary carbon credit including project activity (such as forestry, renewable energy, waste disposal, carbon capture, etc.), location, vintage, the standards body and associated co-benefits (such as job creation, water conservation or preservation of biodiversity). For the three and nine months ended September 30, 2023, the average realized price per purchased carbon credit sold was $6.25 and $6.41, respectively (three and nine months ended September 30, 2022 - $12.32).

STRATEGY AND OUTLOOK

Carbon Streaming is focused on executing its sales strategy through the marketing and selling of carbon credits and continuing to acquire select additional streams and royalties to diversify and compliment its portfolio of projects.

In executing its sales strategy, over the long term and on a company-wide basis, the Company continues to expect to retain on average 15% to 25% of cash flows (with stream-specific retention varying) generated from the sale of the carbon credits acquired from its carbon credit streaming agreements, subject to fluctuation based on the realized price from carbon credit sales and the specific terms of the stream agreements. Through an ongoing delivery payment under the terms of a stream agreement, a project partner is typically entitled to receive the balance of the net proceeds from the sale of carbon credits (i.e. on average 75% to 85%).

Indonesia Update

As previously disclosed in April 2022, the Indonesian government announced a temporary pause in the validation of carbon credits from projects on the Verra Registry (and other international registries) as it sought to finalize its national carbon emission regulations. This pause has remained in place since April 2022, and as such, no carbon credits have been issued from Rimba Raya (or other voluntary carbon credit projects in Indonesia) since such time. In October 2022, the Indonesian Ministry of Environment & Forestry ("**MOEF**") issued Reg 21 regarding Implementation Procedures of Carbon Economic Value, which sets out a framework for domestic and international carbon trading in Indonesia. Under Reg 21, all carbon projects in Indonesia must be registered, validated and verified on the SRN. In addition, between 10% and 20% of any carbon credit issuance for foreign GHG emission offsets may be withheld in Indonesia to meet Indonesia's nationally determined contributions ("**NDCs**") as part of the country's Paris Agreement commitment, where such withheld carbon credits may be released upon the applicable sub-sector's NDC targets being met in two consecutive years. The buffers amount will be determined by MOEF and may be subject to a periodical change based on the evaluation of the results of the verified annual NDC target achievement report. A further 5% of carbon credits are also expected to be retained for domestic GHG emission offsets in Indonesia. However, at this time the proposed final rules and regulations remain under ongoing review and development by the Indonesian government, and accordingly, all of the foregoing remains subject to potential change prior to any resumption in the issuance of carbon credits from Rimba Raya.

In December 2022, the Rimba Raya project was the first REDD+ project to receive validation under Reg 21 and with the SRN. The verification process commenced in the first quarter of 2023 and is expected to cover a period from July 1, 2019 to December 31, 2022 for an expected total of approximately 9.8 million carbon credits before any buffer deductions, including requirements for the NDC buffers and domestic market use pursuant to Reg 21. The Rimba Raya project has not yet completed the verification process. Once the project is verified, Rimba Raya carbon credits are expected to be issued and tracked by the SRN. Initial validation of the project under the SRN is comprised of one of the four parcels, comprising 36,331 ha under a concession agreement with the MOEF, of which approximately 28,000 ha is the carbon accounting area, generally consistent with the project area under Verra. InfiniteEARTH expects to add the three remaining parcels separately.

The Company and InfiniteEARTH view the development of a national carbon policy as an important and positive step for Indonesia, carbon markets, and global climate action. Reg 21 represents progress in setting out the framework for domestic and international carbon trading in Indonesia and the Company awaits the release of further NDC regulations and implementation regulations to fully understand their impact on the Rimba Raya Stream, including timing of international sales of carbon credits. However, in light of these pending regulations, there remains uncertainty concerning the timing of resumption of the issuance of carbon credits and domestic and international trading from carbon credit projects located in Indonesia (including Rimba Raya), as well as any requirements that the Indonesian government may impose on any such resumption, given that a final legal and regulatory framework has not yet emerged.

Management believes that the carrying value of the Rimba Raya Stream reflects its best estimate for fair value of the asset, taking into consideration both project-specific factors (such as project specific legal, regulatory, political, and methodology risks) and current voluntary market conditions. In particular, the pricing assumptions used to determine the fair value of the Rimba Raya Stream reflects current market data for newly vintaged REDD+ projects and the continued buyer interest/demand for Rimba Raya carbon credits. For a more comprehensive discussion on the specific valuation assumptions applied to the Company's carbon credit streaming and royalty agreements, please see Note 6 of the Interim Financial Statements.

For a comprehensive discussion of the risks, assumptions and uncertainties that could impact the Indonesian regulatory developments described above, investors are urged to review the section of the Company's AIF entitled "Risk Factors" a copy of which is available on SEDAR+ at www.sedarplus.ca. See also "Risks and Uncertainties" below.

Outlook

In 2023, Carbon Streaming began repositioning itself for long-term success and sustainable shareholder value creation as the voluntary carbon market faced headwinds. In response, the Company initiated a corporate restructuring earlier this year. The focus of the restructuring has been, and will continue to be, on cash flow optimization through the reduction of operating expenses and a reassessment of our existing streams and royalties in light of the evolving voluntary carbon market. To date, the steps taken by the Company have resulted in significant reductions to ongoing operating expenses and amendments to stream agreements. For example, the Company's other operating expenses have decreased by $3.9 million for the nine months ended September 30, 2023 when compared to the prior-year period. Additionally, the Company has restructured the commercial terms of the Nalgonda Rice Farming Stream, Waverly Biochar Stream and the Magdalena Bay Blue Carbon Stream. The Company will continue to look for opportunities for cash flow optimization and will provide additional details as more initiatives are put in place.

Carbon Streaming also aims to continue growing and diversifying its portfolio with leading project developers and to be a partner of choice for buyers seeking to support high-integrity carbon projects. Voluntary carbon markets have the potential to mobilize finance to address the gaps in funding for climate projects and act as a complementary tool to other climate action activities. Carbon Streaming believes that its strategy will position the Company as an industry leader who will be a go-to source of carbon credits in the voluntary market.

For a comprehensive discussion of the risks, assumptions and uncertainties that could impact the Company's strategy and outlook, including without limitation, changes in demand for carbon credits and Indonesian regulatory developments, investors are urged to review the section of the Company's AIF entitled "Risk Factors" a copy of which is available on SEDAR+ at www.sedarplus.ca.

(Tabular amounts expressed in thousands of United States dollars, unless otherwise indicated)

SUMMARY OF FINANCIAL RESULTS

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Revaluation of carbon credit streaming and royalty agreements	**$ 1,792**	$ -	**$ (8,945)**	$ -
Revenue from sale of purchased carbon credits	**260**	27	**325**	29
Cost of purchased carbon credits sold	**(208)**	(11)	**(254)**	(12)
Other operating expenses				
Salaries and fees	**(757)**	(933)	**(2,859)**	(2,724)
Share-based compensation	**(246)**	(1,042)	**(1,165)**	(3,957)
Marketing	**(269)**	(199)	**(581)**	(1,098)
Professional fees	**(277)**	(508)	**(840)**	(1,164)
Consulting fees	**(345)**	(1,092)	**(872)**	(1,696)
Insurance	**(166)**	(234)	**(637)**	(657)
Regulatory fees	**(49)**	(76)	**(121)**	(231)
Office and general	**(97)**	(136)	**(356)**	(359)
Foreign exchange loss	**(255)**	(1,097)	**(72)**	(1,426)
Amortization of right-of-use asset	**(29)**	-	**(87)**	-
Corporate restructuring	**(119)**	-	**(1,754)**	-
Other operating expenses	**(2,609)**	(5,317)	**(9,344)**	(13,278)
Operating loss	**(765)**	(5,301)	**(18,218)**	(13,295)
Other items				
Loss from investment in associate	**(45)**	(26)	**(250)**	(26)
Impairment loss	**(1,044)**	-	**(1,044)**	-
Revaluation of derivative liabilities	**-**	-	**686**	-
Revaluation of warrant liabilities	**1,230**	2,918	**6,451**	89,078
Revaluation of convertible note	**558**	-	**558**	-
Finance income	**784**	-	**2,408**	-
Net income (loss) and comprehensive income (loss)	**718**	(2,409)	**(9,409)**	75,757
Adjusted net loss[1]	**(1,699)**	(5,327)	**(5,361)**	(13,321)
Settlements from carbon credit streaming and royalty agreements	**13**	**-**	**55**	**-**

1. *"Adjusted net loss", including per share amounts, is a non-IFRS financial performance measure that is used in this MD&A. This measure does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. For more information about this measure, why it is used by the Company, and a reconciliation to the most directly comparable measure under IFRS, see the "Non-IFRS Measures" section of this MD&A.*

Revaluation of carbon credit streaming and royalty agreements

Revaluation of carbon credit streaming and royalty agreements was a net gain of $1.8 million and net loss of $8.9 million for the three and nine months ended September 30, 2023, respectively, when compared to $nil for the three and nine months ended September 30, 2022. For the three months ended September 30, 2023, the net gain on revaluation of carbon credit streaming and royalty agreements was primarily driven by accretion due to the passage of time. For the three months ended September 30, 2023, no gain or loss on revaluation of the Rimba Raya Stream was recognized, as the changes to management's estimates for timing of carbon credit issuance and delivery and the resulting impact to the carbon credit production and sales profile was offset by accretion due to the passage of time.

For the nine months ended September 30, 2023 the net loss on revaluation of carbon credit streaming and royalty agreements was primarily driven by a loss on revaluation of the Rimba Raya Stream. Specifically, the loss on revaluation of the Rimba Raya Stream for the nine months ended September 30, 2023 was driven by changes to management's estimate for timing of carbon credit issuance and delivery, impacting the carbon credit production and sales profile, and an increase in project-specific risk factors, including heightened uncertainty relating to the Indonesian regulatory environment and the new SRN methodology, resulting in a higher risk-adjusted discount rate. This was partially offset by accretion due to the passage of time. Management's estimate for timing of carbon credit issuance and delivery and the resulting impact to the carbon credit production and sales profile is subject to significant estimation uncertainty. Please see Note 6 of the Interim Financial Statements for further information on the observable and non-observable inputs used to measure the fair value of the Rimba Raya Stream.

Revenue from sale of purchased carbon credits and cost of purchased carbon credits sold

Revenue from sale of purchased carbon credits was $260 thousand and $325 thousand for the three and nine months ended September 30, 2023, respectively, when compared to $27 thousand and $29 thousand for the three and nine months ended September 30, 2022, respectively. Cost of purchased carbon credits sold was $208 thousand and $254 thousand for the three and nine months ended September 30, 2023, respectively, when compared to $11 thousand and $12 thousand for the three and nine months ended September 30, 2022, respectively. Revenue from sale of purchased carbon credits relate to sales of the Company's carbon credit inventory. The Company holds an inventory of carbon credits, which were acquired separate and apart from carbon credits delivered under the Company's carbon credit streaming agreements. For the three and nine months ended September 30, 2023, the average realized price per purchased carbon credit sold was $6.25 and $6.41, respectively (three and nine months ended September 30, 2022 - $12.32).

Salaries and fees

Salaries and fees were $0.8 million and $2.9 million for the three and nine months ended September 30, 2023, respectively, when compared to $0.9 million and $2.7 million for the three and nine months ended September 30, 2022. For the three months ended September 30, 2023, the decrease in salaries and fees was primarily driven by the Company's lower headcount resulting from its recent restructuring plan, described below. For the nine months ended September 30, 2023, the increase in salaries and fees was primarily driven by the Company having a higher headcount associated with its corporate team in the first half of 2023 when compared to the first half of 2022, prior to its recent restructuring plan.

Share-based compensation

Share-based compensation was $0.2 million and $1.2 million for the three and nine months ended September 30, 2023, respectively, when compared to $1.0 million and $4.0 million for the three and nine months ended September 30, 2022. For the three and nine months ended September 30, 2023, the decrease in share-based compensation was primarily driven by a lower share price assumption applied to cash-settled share-unit liabilities and forfeitures in the period.

Marketing

Marketing costs were $0.3 million and $0.6 million for the three and nine months ended September 30, 2023, respectively, when compared to $0.2 million and $1.1 million for the three and nine months ended September 30, 2022. For the three months ended September 30, 2023, marketing costs were consistent with the prior-year period. For the nine months ended September 30, 2023, the decrease was primarily attributable to higher marketing costs in the first half of 2022 associated with the start-up of the Company.

Professional fees

Professional fees were $0.3 million and $0.8 million for the three and nine months ended September 30, 2023, respectively, when compared to $0.5 million and $1.2 million for the three and nine months ended September 30, 2022. For the three and nine months ended September 30, 2023, the decrease in professional fees was primarily driven by lower spending on professional services, associated with reduced volume of investments, and the success of cost-cutting initiatives in 2023.

Consulting fees

Consulting fees were $0.3 million and $0.9 million for the three and nine months ended September 30, 2023, respectively, when compared to $1.1 million and $1.7 million for the three and nine months ended September 30, 2022. For the three and nine months ended September 30, 2023, the decrease in professional fees was primarily driven by lower spending on technical consultants, associated with reduced volume of investments, and the success of cost-cutting initiatives in 2023.

Foreign exchange loss

Foreign exchange loss was $0.3 million and $0.1 million for the three and nine months ended September 30, 2023, respectively, when compared to $1.1 million and $1.4 million for the three and nine months ended September 30, 2022. Movements in foreign exchange are primarily due to the revaluation of monetary assets and liabilities as at the balance sheet date and the appreciation or depreciation of the Canadian dollar when compared to the U.S. dollar in the current period. Please see the “Currency Risk” section of Note 16 of the Interim Financial Statements for further information.

Insurance costs

Insurance costs were $0.2 million and $0.6 million for the three and nine months ended September 30, 2023, respectively, when compared to $0.2 million and $0.6 million for the three and nine months ended September 30, 2022. Insurance costs generally were consistent with the prior-year period, with the impact of successful cost-cutting initiatives expected to be realized in subsequent periods.

Regulatory fees

Regulatory fees were $49 thousand and $0.1 million for the three and nine months ended September 30, 2023, when compared to $76 thousand and $0.2 million for the three and nine months ended September 30, 2022. Regulatory fees relate to administrative costs associated with the Company being a publicly-traded entity.

Office and general

Office and general costs were $0.1 million and $0.4 million for the three and nine months ended September 30, 2023 and 2022. Office and general costs relate to the Company's general administrative expenses and were consistent with the prior-year periods.

Corporate restructuring

In the second quarter of 2023, the Company initiated a restructuring plan that resulted in personnel reductions. As a result, for the nine months ended September 30, 2023, the Company incurred a corporate restructuring charge of $1.7 million related to severance and other termination benefits.

Amortization of right-of-use asset

Amortization of right-of-use asset was $29 thousand and $87 thousand for the three and nine months ended September 30, 2023. Amortization of right-of-use asset relates to the Company's office lease.

Operating loss

Operating loss was $0.8 million and $18.2 million for the three and nine months ended September 30, 2023, respectively, when compared to operating loss of $5.3 million and $13.3 million for the three and nine months ended September 30, 2022. For the three months ended September 30, 2023, the decrease in operating loss was primarily driven by the net gain on revaluation of carbon credit streaming and royalty agreements and lower other operating expenses when compared to the prior-year period as described above. For the nine months ended September 30, 2023, the increase in operating loss was primarily driven by the net loss on revaluation of carbon credit streaming and royalty agreements, partially offset by lower other operating expenses when compared to the prior-year period.

Revaluation of warrant liabilities

Revaluation of warrant liabilities was a gain of $1.2 million and $6.5 million for the three and nine months ended September 30, 2023, respectively, when compared to a gain of $2.9 million and $89.1 million for the three and nine months ended September 30, 2022. The gain on the revaluation of warrant liabilities in the current period was primarily driven by a lower spot share-price on the Company's publicly traded warrants and a decrease to the share price assumption applied to the Black-Scholes pricing model. In the prior-year periods, the Company experienced an increased gain on the revaluation of the warrant liabilities relating to a more significant decrease in the share price assumption applied to the Black-Scholes pricing model and a significantly lower spot share-price on the Company's publicly traded warrants.

Revaluation of derivative liabilities

Revaluation of derivative liabilities was a gain of $nil and $0.7 million for the three and nine months ended September 30, 2023, respectively, when compared to a gain of $nil for the three and nine months ended September 30, 2022. The gain on the revaluation of derivative liabilities in the current period was primarily driven by a decrease in the fair value of the Rimba Raya Stream, as the derivative liability reflects the fair value differential between a 20% royalty on the cash flows generated by the streaming agreement and its cost basis. Please see Note 15 of the Interim Financial Statements for further information.

Revaluation of convertible note

Revaluation of convertible note was a gain of $0.5 million for the three and nine months ended September 30, 2023, when compared to a gain of $nil for the three and nine months ended September 30, 2022. The gain on the revaluation of the convertible note was driven by the valuation of the counterparty's enterprise through the financing scenario expected to be completed by the counterparty. Please see Note 7 of the Interim Financial Statements for further information.

Loss from investment in associate

Loss from investment in associate was $45 thousand and $250 thousand for the three and nine months ended September 30, 2023, respectively, when compared to a loss of $26 for the three and nine months ended September 30, 2022. The loss from investment in associate relates to Carbon Streaming's investment in Carbon Fund Advisors. Please see Note 9 of the Interim Financial Statements and the "Investment in Associate and Early Deposit Interest" section of this MD&A for further information.

Impairment loss

Impairment loss was $1.0 million for the three and nine months ended September 30, 2023, when compared to a loss of $nil for the three and nine months ended September 30, 2022. The impairment loss related to the Company's investment in associate, and resulted from indicators of impairment associated with continued operating losses and deteriorating outlook pertaining to future sources of income. Please see Note 9 of the Interim Financial Statements for further information.

Finance income

Finance income was $0.8 million and $2.4 million for the three and nine months ended September 30, 2023, respectively, when compared to $nil for the three and nine months ended September 30, 2022. Finance income primarily relates to interest earned on the Company's cash.

(Tabular amounts expressed in thousands of United States dollars, unless otherwise indicated)

Net income (loss)

Net income was $0.7 million and net loss was $9.4 million for the three and nine months ended September 30, 2023, respectively, when compared to net loss of $2.4 million and net income of $75.8 million for the three and nine months ended September 30, 2022. For the three months ended September 30, 2023, the increase in net income was primarily driven by a net gain on revaluation of carbon credit streaming and royalty agreements, finance income and lower other operating expenses, as described above. For the nine months ended September 30, 2023, the decrease in net income was primarily driven by a lower gain on revaluation of warrant liabilities, a net loss on revaluation of carbon credit streaming and royalty agreements, partially offset by higher finance income and lower other operating expenses, as described above.

Adjusted net loss

Adjusted net loss was $1.7 million and $5.4 million for the three and nine months ended September 30, 2023, respectively, when compared to adjusted net loss of $5.3 million and $13.3 million for the three and nine months ended September 30, 2022. The decrease in adjusted net loss was primarily driven by higher finance income and a lower other operating expenses as described above. See the "Non-IFRS Measures" section of this MD&A for further information on adjusted net loss.

Summary of Quarterly Results:

The following is a summary of certain financial information for each of the eight most recently completed quarters:

	Sep 30, 2023	**Jun 30, 2023**	**Mar 31, 2023**	**Dec 31, 2022**
Revenue from sale of carbon credits	$ 260	$ 44	$ 21	$ 1,059
Net income (loss)	718	(9,155)	(972)	4,765
Basic earnings (loss) per share ($/share)	0.02	(0.19)	(0.02)	0.10
Diluted earnings (loss) per share ($/share)	0.02	(0.19)	(0.02)	0.10
Adjusted net loss[1]	(1,699)	(798)	(2,864)	(5,727)
Total assets	142,043	143,516	155,216	158,489

	Sep 30, 2022	**Jun 30, 2022**	**Mar 31, 2022**	**Dec 31, 2021**
Revenue from sale of carbon credits	$ 27	$ 2	$ -	$ 145
Net income (loss)	(2,410)	29,201	49,070	(46,665)
Basic earnings (loss) per share ($/share)	(0.05)	0.77	1.05	(1.36)
Diluted earnings (loss) per share ($/share)	(0.05)	0.77	0.87	(1.36)
Adjusted net loss[1]	(5,327)	(3,460)	(4,429)	(6,410)
Total assets	156,939	163,467	166,245	167,540

1. *"Adjusted net loss", including per share amounts, is a non-IFRS financial performance measure that is used in this MD&A. This measure does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. For more information about this measure, why it is used by the Company, and a reconciliation to the most directly comparable measure under IFRS, see the "Non-IFRS Measures" section of this MD&A.*

Over the past eight quarters, Net income (loss) has been primarily impacted by other operating expenses and has also varied due to the revaluation of warrant liabilities and the revaluation of carbon credit streaming agreements. The revaluation of warrant liabilities has been primarily impacted by the movements in the Company's share price, changes to the volatility assumption and the passage of time. The revaluation of carbon credit streaming agreements has been primarily impacted by changes to the relevant observable and non-observable inputs, including the carbon credit production and sales profiles, the carbon credit pricing assumptions and the risk-adjusted discount rate (please see Note 6 of the Interim Financial Statements for further information). Changes in total assets have been primarily impacted by changes in the carrying values of the Company's carbon credit streaming and royalty agreements.

LIQUIDITY AND CASH FLOW

Liquidity

As at September 30, 2023, the Company had working capital of $57.1 million, which includes cash of $54.4 million (as at December 31, 2022 – working capital of $62.5 million including cash of $70.3 million). The largest short-term liability relates to warrant liabilities (see Note 11 of the Interim Financial Statements) which is not a cash amount owing.

The Company's ability to meet its obligations and execute its business strategy depends on its ability to generate cash flow from the delivery and sale of carbon credits, as well as through the issuance of its securities, the exercise of stock options and warrants and short-term or long-term borrowings. Based on current cash balances, the Company believes it has access to sufficient resources to satisfy its commitments.

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of $138.5 million as at September 30, 2023 (as at December 31, 2022 - $146.6 million). There were no changes in the Company's approach to capital management during the period.

There is no assurance that the Company will be able to access debt, equity or alternative funding at the times and in the amounts required to meet the Company's obligations and to fund activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funding going forward.

For the three and nine months ended September 30, 2023, cash decreased by $4.7 million and $15.9 million, respectively. The decrease in cash for both the three and nine months ended September 30, 2023 was primarily driven by cash used in investing activities, primarily related to upfront deposits for carbon credit streaming and royalty agreements and cash used in operating activities, primarily related to other operating expenses.

Cash Flows

Operating Activities

Cash used in operating activities was $2.6 million and $6.7 million for the three and nine months ended September 30, 2023, respectively (three and nine months ended September 30, 2022 –$5.7 million and $12.0 million). Cash used in operating activities was primarily driven by other operating expenses incurred during the normal course of business, partially offset by finance income earned in the period. For the three and nine months ended September 30, 2023, cash used in operating activities was positively impacted by movements in working capital when compared to the prior-year periods.

(Tabular amounts expressed in thousands of United States dollars, unless otherwise indicated)

Investing Activities

Cash used in investing activities was $2.1 million and $9.1 million for the three and nine months ended September 30, 2023, respectively (three and nine months ended September 30, 2022 –$13.3 million and $18.1 million), relating primarily to upfront deposits for carbon credit streaming and royalty agreements. See the "Carbon Credit Streaming and Royalty Agreement" section of this MD&A for further information.

Financing Activities

Cash used in financing activities was $46 thousand and $92 thousand for the three and nine months ended September 30, 2023 (three and nine months ended September 30, 2022 – cash generated of $29 thousand and $0.1 million, respectively). Cash used in financing activities for the three and nine months ended September 30, 2023 related to lease payments, while the cash generated from financing activities for the nine months ended September 30, 2022 related to proceeds from exercise of warrants during the period.

SHARE CAPITAL

As at November 14, 2023, the Company has the following items of share capital outstanding:

	Share Capital
Common Shares issued and outstanding	47,421,219
Warrants	33,230,789
Stock options[1]	1,191,000
RSUs and PSUs[2]	1,434,853

*(1) Options are issued pursuant to and governed by the Company's Long Term Incentive Plan (the "**LTIP**").*

*(2) Restricted share units ("**RSUs**") and Performance share units ("**PSUs**") are issued pursuant to and governed by the LTIP and represent a right to receive Common Shares (or the cash equivalent) at a future date, as determined by the established vesting conditions. RSU and PSU settlements are determined at the sole discretion of the Board, and can be settled in Common Shares, cash or a combination thereof.*

(Tabular amounts expressed in thousands of United States dollars, unless otherwise indicated)

COMMITMENTS

In connection with the acquisition of carbon credit streaming agreements, the Company pays an upfront deposit to the project partner for the stream or investment. In certain instances, the payment of the upfront deposit is paid in installments, subject to certain milestones and conditions being met. While the timing of such payments is event driven, the Company has made assumptions on the timing of such payments, based on the information currently available. As at September 30, 2023 such conditions had not been met.

As at September 30, 2023, the Company had the following commitments relating to its carbon credit streaming and royalty agreements:

Less than 1 year	$ 17,161
1 to 3 years	19,742
Over 3 years	887
Total	**$ 37,790**

Under its carbon credit streaming agreements, the Company is typically required to pay an ongoing delivery payment to the project partner for each carbon credit that is delivered to Carbon Streaming and sold under the stream. The timing and amount of such payments is dependent on the timing of delivery and sale of carbon credits, the net realized price obtained on the sale of the carbon credits and the terms of the applicable carbon credit streaming agreement. From time to time, the Company may enter into sales contracts with customers for the future sale of carbon credits. Under these agreements, payment and delivery of the credits may occur at a future date, once credits are delivered to the Company.

Osisko and the Company are currently parties to an investor rights agreement dated February 18, 2021 which governs various aspects of the relationship between Osisko and the Company (the "**Investor Rights Agreement**"). Under the Investor Rights Agreement, Osisko has the exclusive right to participate in, and acquire up to 20% of, any stream, forward sale, prepay, royalty, off-take or similar transaction between the Company, as purchaser and/or creditor, and one or more third party counterparties (the "**Stream Participation Right**"). Osisko has exercised its right to participate in and acquired a portion of the Magdalena Bay Blue Carbon Stream using the original terms of the Magdalena Bay Blue Carbon Stream, prior to the July 2023 amendment (See Note 15 of the Interim Financial Statements for further information).

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company did not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company did not enter into any reportable related party transactions during the three and nine months ended September 30, 2023.

FINANCIAL INSTRUMENT FAIR VALUE AND RISK FACTORS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash, carbon credit streaming and royalty agreements, a convertible note, accounts payable and accrued liabilities, warrant liabilities and derivative liabilities. The carrying value of cash and accounts payable and accrued liabilities approximates their fair value due to their short-term nature. Cash is measured at fair value based on Level 1 of the fair value hierarchy. Certain C$ denominated warrant liabilities with a quoted trading price are valued based on Level 1 of the fair value hierarchy. Certain C$ denominated warrant liabilities (Level 2) where no quoted prices exist have been valued using a Black-Scholes Option Pricing Model with assumptions for risk- free interest rates, dividend yields, the spot market price of the Common Shares, volatility of the expected market price of the Common Shares and the expected life of the warrants. Carbon credit streaming and royalty agreements and the derivative liabilities (Level 3) are valued by taking into consideration various observable and unobservable inputs, including the expected volumes and timing of the delivery and sale of verified carbon credits, assumptions around carbon credit pricing, an applicable risk-adjusted discount rate and other contractual terms of the agreement. The convertible note (Level 3) is valued using the intrinsic method based on the valuation of the counterparty's enterprise determined using its latest round of financing which was pending closure as of September 30, 2023.

Risk Factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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, and timing and number of anticipated carbon credit deliveries and sales (See Note 6 of the Interim Financial Statements for additional information).

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash balance is held at a credit worthy financial institution. Credit risk has been assessed as low.

Currency Risk

Foreign currency risk is the risk that the fair value of financial instruments will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in Canadian dollars while its functional and presentation currency is the United States dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. As at September 30, 2023, the Company held cash of C$11.83 million in Canadian dollars and had accounts payable and other monetary liabilities of C$1.38 million in Canadian dollars. As the Company has a number of transactions in foreign currencies, currency risk has been assessed as moderate.

Assuming all other variables remain constant, a 5% weakening or strengthening of the US dollar against the Canadian dollar would result in a change of approximately $0.4 million to profit or loss.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank account was subject to the movements in interest rates. The Company has no interest-bearing debt. Therefore, interest rate risk has been assessed as nominal.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions and available cash on hand, liquidity risk has been assessed as low.

KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Company's Interim Financial Statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about the future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The areas which require management to make significant judgments, estimates and assumptions in determining carrying values are described in Note 3 of the Annual Financial Statements.

(Tabular amounts expressed in thousands of United States dollars, unless otherwise indicated)

The Company's accounting policies and future changes in accounting policies are presented in the Interim Financial Statements and have been consistently applied.

PERFORMANCE MEASURES

Average realized price per purchased carbon credit sold

Management uses the "average realized price per purchased carbon credit sold" performance measure to better understand the price realized in each reporting period for carbon credit sales. Average realized price per purchased carbon credit sold is calculated by dividing the Company's revenue from sale of purchased carbon credits by the quantity of purchased carbon credits sold. Average realized price per purchased carbon credit sold does not incorporate proceeds from the sale of carbon credits delivered under the Company's carbon credit streaming agreements, and only incorporates revenue from sale of purchased carbon credits.

	Three months ended September 30, 2023	**Three months ended September 30, 2022**	**Nine months ended September 30, 2023**	**Nine months ended September 30, 2022**
Revenue from sale of purchased carbon credits	**$ 260**	$ 27	**$ 325**	$ 29
Number of purchased carbon credits sold (carbon credits)	**41,593**	2,192	**50,735**	2,354
Average realized price per purchased carbon credit sold ($/carbon credit)	**$ 6.25**	$ 12.32	**$ 6.41**	$ 12.32

Cost per purchased carbon credit sold

Management uses the "cost per purchased carbon credit sold" performance measure to assess the Company's profitability in relation to the average realized price per purchased carbon credit sold and believes that certain investors can use this information to evaluate the Company's performance in comparison to other carbon credit streaming companies. Cost per purchased carbon credit sold is calculated by dividing the Company's cost of purchased carbon credits sold by the quantity of purchased carbon credits sold. Cost per purchased carbon credit sold does not incorporate ongoing delivery payments from the sale of carbon credits delivered under the Company's carbon credit streaming agreements, and only incorporates the cost of purchased carbon credits sold.

(Tabular amounts expressed in thousands of United States dollars, unless otherwise indicated)

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Cost of purchased carbon credits sold	**$ 208**	$ 11	**$ 254**	$ 12
Number of purchased carbon credits sold (carbon credits)	**41,593**	2,192	**50,735**	2,354
Cost per purchased carbon credit sold ($/carbon credit)	**$ 5.00**	$ 5.00	**$ 5.00**	$ 5.00

NON-IFRS MEASURES

Adjusted Net Loss and Adjusted Loss Per Share

The term "adjusted net income (loss)" in this MD&A is not a standardized financial measures under IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. These non-IFRS measures should not be considered in isolation or as a substitute for measures of performance, cash flows and financial position as prepared in accordance with IFRS. Management believes that these non-IFRS measures, together with performance measures and measures prepared in accordance with IFRS, provide useful information to investors and shareholders in assessing the Company's liquidity and overall performance.

Adjusted net loss is calculated as net and comprehensive income (loss) and adjusted for the revaluation of carbon credit streaming and royalty agreements, the revaluation of warrant liabilities, the revaluation of derivative liabilities, the revaluation of the convertible note, impairment loss and the corporate restructuring which the Company views as having a significant non-cash or non-continuing impact on the Company's net and comprehensive income (loss) calculation and per share amounts. Adjusted net income (loss) is used by the Company to monitor its results from operations for the period.

(Tabular amounts expressed in thousands of United States dollars, unless otherwise indicated)

The following table reconciles net and comprehensive income (loss) to adjusted net loss:

	Three months ended September 30, 2023	**Three months ended September 30, 2022**	**Nine months ended September 30, 2023**	**Nine months ended September 30, 2022**
Net income (loss)	**$ 718**	$ (2,409)	**$ (9,409)**	$ 75,757
Adjustment for non-continuing or non-cash settled items:				
Revaluation of carbon credit streaming and royalty agreements	**(1,792)**	-	**8,945**	-
Revaluation of warrant liabilities	**(1,230)**	(2,918)	**(6,451)**	(89,078)
Revaluation of derivative liabilities	**-**	-	**(686)**	-
Revaluation of convertible note	**(558)**	-	**(558)**	-
Impairment loss	**1,044**	-	**1,044**	-
Corporate restructuring	**119**	-	**1,754**	-
Adjusted net loss	**$ (1,699)**	$ (5,327)	**$ (5,361)**	$ (13,321)
Earnings (loss) per share (Basic) ($/share)	**$ 0.02**	$ (0.05)	**$ (0.20)**	$ 1.62
Earnings (loss) per share (Diluted) ($/share)	**0.02**	(0.05)	**(0.20)**	1.54
Adjusted net loss per share (Basic) ($/share)	**(0.04)**	(0.11)	**(0.11)**	(0.28)
Adjusted net loss per share (Diluted) ($/share)	**(0.04)**	(0.11)	**(0.11)**	(0.28)

RISKS AND UNCERTAINTIES

The Company is exposed to a variety of known and unknown risks in the pursuit of its strategic objectives, including but not limited to commodity and currency risk, liquidity/financial risk and general business risk. The impact of any risk may adversely affect, among other things, the Company's business, financial condition and operating results, which may affect the market price of its securities. The Company monitors its risks on an ongoing basis and seeks to mitigate these risks as and when possible.

For a comprehensive discussion of the risks and uncertainties that could have an effect on the business and operations of the Company, investors are urged to review the section of the AIF entitled "Risk Factors" and the Annual Financial Statements, copies of which are available on SEDAR+ at www.sedarplus.ca.

Significant Risk Factors

Commodity and Currency Risk

The Company's financial performance is heavily dependent on the price of carbon credits and liquidity of the carbon markets. The Company's ability to generate cash flow and profitability is directly impacted by its ability to sell carbon credits and at favourable pricing. The price and market for carbon credits is subject to volatile price movements, which are based on numerous factors outside of the Company's control. The Company seeks to mitigate these risks by acquiring streams and credits representing a diversified group of projects (by geography, project type and crediting standard). In addition, the Company seeks out projects that have significant social and economic co-benefits in addition to their carbon reduction or removal potential, which can command premium pricing.

Liquidity/Financial Risks

The Company is exposed to normal financial risks including liquidity risk, exchange rate risk, interest rate risk and credit risk. The Company's principal liquidity and capital resource requirements are the capital required to acquire streams and royalties and general operating expenses. The Company funds these requirements through current cash and working capital balances which are carefully managed to ensure that operational needs and other contractual and financial obligations are met. For further information on liquidity and capital risk mitigation see the "Financial Instrument Fair Value and Risk Factors" section of this MD&A.

General Business Risks

The nature of the Company's business is highly speculative. The success of the Company's activities will depend on management's ability to implement its strategy and on the availability of opportunities related to carbon credit streaming and royalty agreements and GHG emission avoidance, reduction, and removal/sequestration programs; government regulations; commitments to reduce or compensate for GHG emissions by corporations, organizations and individuals; and general economic conditions. Although management is optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved and there is no certainty that the Company will successfully implement its current strategy.

The list above does not contain all the risks associated with an investment in the securities of the Company. For a more comprehensive discussion of the risks and uncertainties that could have an effect on the business and operations of the Company, please see the Company's AIF and Annual Financial Statements which are available on SEDAR+ at www.sedarplus.ca.

DISCLOSURE OF INTERNAL CONTROLS

In accordance with National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**") of the Canadian Securities Administrators, the Company issues a "Certification of Interim Filings". This Certification requires certifying officers to certify, among other things, that they are responsible for establishing and maintaining Disclosure Controls and Procedures ("**DC&P**") and Internal Controls over Financial Reporting ("**ICFR**") as those terms are defined in NI 52-109. The control framework used to design the Company's ICFR is based on the framework established in Internal Control - Integrated Framework (2013) by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company's ICFR are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's ICFR may not prevent or detect all misstatements because of inherent limitations.

There have been no changes in the Company's ICFR during the quarter ended September 30, 2023, that have materially affected, or are reasonably likely to materially affect, its ICFR.

The Company's DC&P is designed to provide reasonable assurance that material information relating to the Company is made known to the Company's certifying officers by others, particularly during the period in which the interim filings are being prepared, and that information required to be disclosed by the Company in its annual filings, interim filings and other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

ADVISORIES

CAUTIONARY NOTE REGARDING 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.

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 headings "Additional Information - Forward-

Looking Information" and "Risk Factors" in the Company's AIF and under the heading "Risks and Uncertainties" 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.

ADDITIONAL INFORMATION

Additional information with respect to the Company, including the Annual Financial Statements and Company's AIF, have been filed with Canadian securities regulatory authorities and is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.carbonstreaming.com. Information contained in or otherwise accessible through the Company's website does not form a part of this MD&A and is not incorporated by reference into this MD&A.