

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026

Notice of no auditor review of condensed consolidated interim financial statements

The accompanying unaudited condensed consolidated interim financial statements of Carbon Streaming Corporation (the "**Company**" or "**Carbon Streaming**") have been prepared by and are the responsibility of the Company's management.

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

CARBON STREAMING CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026
(Unaudited; amounts expressed in thousands of United States dollars, unless otherwise indicated)

	As at September 30, 2026	As at December 31, 2025
Assets		
Current assets		
Cash	**$ 36,263**	$ 39,146
Carbon credit inventory	**3**	4
Prepaid expenses	**344**	238
Community Carbon Buyout Receivable (Note 8)	**6,000**	-
Other receivables	**461**	37
	43,071	39,425
Non-current assets		
Carbon credit streaming and royalty agreements (Note 6)	**2,284**	7,057
Equity securities (Note 7)	**1,619**	-
Finance lease receivable	**-**	33
Total assets	**$ 46,974**	$ 46,515
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,453**	$ 1,145
Warrant liabilities (Note 9)	**-**	31
Current portion of share unit liabilities (Note 12)	**600**	703
Current portion of lease liability	**-**	48
	2,053	1,927
Non-current liabilities		
Non-current portion of share unit liabilities (Note 12)	**-**	66
Total liabilities	**2,053**	1,993
Shareholders' equity		
Share capital (Note 10)	**193,632**	193,632
Share-based compensation reserve	**7,778**	7,760
Deficit	**(156,489)**	(156,870)
Total shareholders' equity	**44,921**	44,522
Total liabilities and shareholders' equity	**$ 46,974**	$ 46,515

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Revaluation of carbon credit streaming and royalty agreements (Note 6)	**$ 126**	$ 1,018	**$ (824)**	$ (428)
Revenue from sale of purchased carbon credits	**-**	3	**-**	29
Cost of purchased carbon credits sold	**-**	(1)	**-**	(7)
Other operating expenses				
Salaries and fees	**(127)**	(131)	**(403)**	(592)
Share-based compensation (Note 12)	**(53)**	(166)	**111**	(402)
Investor relations & marketing	**(10)**	(6)	**(32)**	(41)
Audit, other professional & regulatory fees	**(68)**	(89)	**(206)**	(330)
Consulting fees	**-**	-	**-**	(31)
Insurance	**(262)**	(101)	**(460)**	(301)
Office and general	**16**	(29)	**-**	(84)
Foreign exchange gain (loss)	**8**	(419)	**(929)**	356
Corporate restructuring (Note 4)	**-**	-	**-**	(332)
Legal and litigation (Note 5)	**(433)**	(420)	**(1,149)**	(1,323)
Other operating expenses	**(929)**	(1,361)	**(3,068)**	(3,080)
Operating loss	**(803)**	(341)	**(3,892)**	(3,486)
Other items				
Gain on contract settlement (Note 8)	**2,766**	650	**2,866**	833
Revaluation of equity securities (Note 7)	**(444)**	-	**549**	-
Revaluation of warrant liabilities (Note 9)	**-**	(15)	**31**	72
Finance income	**264**	351	**827**	1,122
Net income (loss) and comprehensive income (loss)	**1,783**	645	**381**	(1,459)
Basic earnings (loss) per share ($/share)	**0.04**	0.01	**0.01**	(0.03)
Diluted earnings (loss) per share ($/share)	**0.04**	0.01	**0.01**	(0.03)
Weighted average number of Common Shares outstanding – basic	**49,059,053**	52,575,200	**49,059,053**	52,747,433
Weighted average number of Common Shares outstanding – diluted	**49,059,053**	52,607,588	**49,059,053**	52,747,433
Number of Common Shares outstanding[1]	**49,059,053**	48,332,053	**49,059,053**	48,332,053

(1) Number of Common Shares outstanding is presented as at the relevant tabular reporting date.

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Operating activities				
Net income (loss)	**$ 1,783**	$ 645	**$ 381**	$ (1,459)
Settlements from carbon credit streaming and royalty agreements (Note 6)	**-**	549	**716**	810
Cash paid in settlement of share-unit liabilities	**-**	-	**(39)**	(18)
Items not affecting cash				
Revaluation of carbon credit streaming and royalty agreements (Note 6)	**(126)**	(1,018)	**824**	428
Revaluation of warrant liabilities (Note 9)	**-**	15	**(31)**	(72)
Gain on contract settlement (Note 8)	**(2,766)**	(650)	**(2,866)**	(833)
Revaluation of equity securities (Note 7)	**444**	-	**(549)**	-
Other non-cash adjustments (Note 15)	**48**	580	**829**	57
Changes in non-cash operating working capital items (Note 15)	**(148)**	(34)	**(218)**	350
Net cash (used in) generated from operating activities	**(765)**	87	**(953)**	(737)
Investing activities				
Additions to carbon credit streaming and royalty agreements (Note 6)	**-**	-	**-**	(164)
Proceeds from contract settlement	**-**	833	**100**	833
Equity securities investment (Note 7)	**-**	-	**(1,400)**	-
Proceeds from sale of equity securities (Note 7)	**330**	-	**330**	-
Lease payments received from finance lease	**-**	47	**34**	138
Net cash generated from (used in) investing activities	**330**	880	**(936)**	807
Financing activities				
Lease payments	**-**	(47)	**(49)**	(138)
Net cash used in financing activities	**-**	(47)	**(49)**	(138)
Net change in cash	**(435)**	920	**(1,938)**	(68)
Effect of foreign exchange on cash	**6**	(422)	**(945)**	321
Cash, beginning of period	**36,692**	37,105	**39,146**	37,350
Cash, end of period	**36,263**	37,603	**36,263**	37,603

Please refer to Note 15 – Supplemental Cash Flow Information below for more information.

	Share Capital				
	Number	Amount	Share-based compensation reserve	Deficit	Total
Balance, December 31, 2024	**52,704,753**	**$ 195,337**	**$ 7,660**	**$ (156,581)**	**$ 46,416**
Share-based compensation (Note 12)	-	-	95	-	95
Shares returned to treasury and cancelled	(4,539,180)	(2,189)	-	2,189	-
Restricted share units converted (Note 12)	166,480	58	-	-	58
Net loss and comprehensive loss	-	-	-	(1,459)	(1,459)
Balance, September 30, 2025	48,332,053	$ 193,206	$ 7,755	$ (155,851)	$ 45,110

	Share Capital				
	Number	Amount	Share-based compensation reserve	Deficit	Total
Balance, December 31, 2025	**49,059,053**	**$ 193,632**	**$ 7,760**	**$ (156,870)**	**$ 44,522**
Share-based compensation (Note 12)	**-**	**-**	**18**	**-**	**18**
Net income and comprehensive income	**-**	**-**	**-**	**381**	**381**
Balance, September 30, 2026	**49,059,053**	**$ 193,632**	**$ 7,778**	**$ (156,489)**	**$ 44,921**

1. Nature of operations

Carbon Streaming Corporation ("**Carbon Streaming**" or the "**Company**") was incorporated on September 13, 2004, under the *Business Corporations Act* (British Columbia).

Carbon Streaming is a carbon credit streaming and royalty company focused on optimizing its existing portfolio of carbon projects that generate high-quality carbon credits and have a positive impact on the environment, local communities, and biodiversity, in addition to their carbon reduction or removal potential.

The Company's common shares ("**Common Shares**") are listed on Cboe Canada (formerly the Neo Exchange) under the symbol "NETZ". The Common Shares are also listed on the Frankfurt Stock Exchange under the symbol "M2Q" and trade on the OTC Markets under the symbol "OFSTF".

The Company's registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

All financial information in this document is presented in thousands of United States dollars ("**$**" or "**US$**") unless otherwise indicated. The Company has one operating segment related to carbon credit streaming and royalty agreements focused on projects located globally.

These unaudited condensed interim consolidated financial statements (the "**Interim Financial Statements**") of the Company for the three and nine months ended September 30, 2026, were approved and authorized for issue by the Board of Directors on November 9, 2026.

2. Statement of compliance and basis of presentation

Statement of compliance

These Interim Financial Statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34, *Interim Financial Reporting*. The accounting policies applied in these Interim Financial Statements are based on the IFRS® Accounting Standards as issued by the International Accounting Standards Board and have been prepared using the same material accounting policies and methods of application as disclosed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2025 (the "**Annual Financial Statements**") and were consistently applied to all the periods presented unless otherwise stated below.

These Interim Financial Statements do not include all the information and note disclosures required by the IFRS Accounting Standards for annual consolidated financial statements and therefore should be read in conjunction with the Annual Financial Statements.

Basis of presentation

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

These Interim Financial Statements include the financial position, financial performance and cash flows of the Company and its subsidiaries. Intercompany balances, transactions, income and expenses, profits and losses, including gains and losses relating to its subsidiaries, have been eliminated on consolidation. The Company's subsidiaries as at September 30, 2026 are as follows:

Entity	Relationship	Geographic location	Economic interest	Basis of accounting
1253661 B.C. Ltd.	Subsidiary	Canada	100%	Consolidation
Blue Dot Carbon Corp.	Subsidiary	Canada	100%	Consolidation

Adoption of amendments to the IFRS Accounting Standards

For the three and nine months ended September 30, 2026, the Company applied the following new amendments to the IFRS Accounting Standards that are mandatorily effective for reporting periods beginning on or after January 1, 2026:

- Amendments to IFRS 9, *Financial Instruments* clarify certain requirements related to the derecognition of financial liabilities, including those settled through electronic payment systems, and provide additional application guidance on the classification of financial assets. Management has assessed that the amendments did not have a material impact on the Company's financial statements.

- Amendments to IFRS 7, *Financial Instruments: Disclosures* introduce additional disclosure requirements for financial instruments, including certain equity investments and instruments with contingent cash flow features. Management has assessed that the amendments did not have a material impact on the Company's financial statements.

Additionally, the Company has not applied the following amendments to the IFRS Accounting Standards that have been issued but are not yet effective:

- IFRS 18, *Presentation and Disclosures in Financial Statements* (effective January 1, 2027), which is intended to replace IAS 1, *Presentation of Financial Statements* and introduce new presentation and disclosure requirements in the financial statements. Management is currently assessing the impact of this standard on the Company's consolidated financial statements.

3. Significant accounting estimates, judgments and assumptions

Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these Interim Financial Statements for the three and nine months ended September 30, 2026, are consistent with those included in Note 4 to the Annual Financial Statements.

4. Corporate restructuring

For the three and nine months ended September 30, 2026, the Company recognized a corporate restructuring charge of $nil (three and nine months ended September 30, 2025 – corporate restructuring charge $nil and $332, respectively) primarily related to severance and other termination benefits.

During the year ended December 31, 2025, the Company revised the presentation of certain expenses within the consolidated statement of income (loss) to separately present corporate restructuring costs and legal and litigation costs, which were previously presented within a single line item. Please refer to Note 5.

5. Legal and Litigation

In 2024, the Company formed an independent special committee of the Board of Directors to conduct a review of certain of the Company's executives. In April 2025, the Company announced that it had filed a lawsuit in the Ontario Superior Court of Justice against several former executives, directors, consultants, and associated entities. Additionally, the Company has incurred costs related to legal proceedings and disputes related to the Company's carbon credit streaming and royalty agreements.

For the three and nine months ended September 30, 2026, the Company recognized legal and litigation expenses of $433 and $1,149, respectively (three and nine months ended September 30, 2025 – $420 and $1,323, respectively) primarily related to professional fees and other costs associated with the matters described above.

6. Carbon credit streaming and royalty agreements

The following table is a summary of the changes in carbon credit streaming and royalty agreements for the nine months ended September 30, 2026 and the year ended December 31, 2025:

	Balance December 31, 2025	**Settlements**	**Fair value adjustments**	**De-recognitions**	**Balance September 30, 2026**
Cerrado Biome Stream	**61**	**-**	**40**	**-**	**101**
Waverly Biochar Stream	**1,054**	**-**	**(113)**	**-**	**941**
Community Carbon Stream	**4,220**	**(200)**	**(787)**	**(3,233)**	**-**
Enfield Biochar Stream	**402**	**-**	**-**	**-**	**402**
Azuero Reforestation Stream	**419**	**-**	**36**	**-**	**455**
Waverly Biochar Royalty	**271**	**-**	**-**	**-**	**271**
Amazon Portfolio Royalty	**516**	**(516)**	**-**	**-**	**-**
Enfield Biochar Royalty	**114**	**-**	**-**	**-**	**114**
Total	**7,057**	**(716)**	**(824)**	**(3,233)**	**2,284**

	Balance December 31, 2024	**Additions**	**Settlements**	**Fair value adjustments**	**Balance December 31, 2025**
Cerrado Biome Stream	63	-	(2)	-	61
Waverly Biochar Stream	1,608	-	-	(554)	1,054
Community Carbon Stream	3,686	-	(608)	1,142	4,220
Nalgonda Rice Farming Stream	946	-	-	(946)	-
Enfield Biochar Stream	274	-	-	128	402
Azuero Reforestation Stream	604	164	-	(349)	419
Waverly Biochar Royalty	392	-	-	(121)	271
Amazon Portfolio Royalty	1,394	-	(544)	(334)	516
Enfield Biochar Royalty	114	-	-	-	114
Total	**9,081**	**164**	**(1,154)**	**(1,034)**	**7,057**

Settlements

Settlements reflect the net cash proceeds generated from the Company's carbon credit streaming and royalty agreements. For the nine months ended September 30, 2026, the Company recognized $716 in settlements (year ended December 31, 2025 – $1,154), relating to the Community Carbon Stream and the Amazon Portfolio Royalty.

Fair value adjustments

As at September 30, 2026, management assessed the fair value of the carbon credit streaming and royalty agreements by considering changes in the respective inputs to the fair value model as described below. The Company recognized a net loss on the revaluation of the carbon credit streaming and royalty agreements of $824 for the nine months ended September 30, 2026 (year ended December 31, 2025 – net loss of $1,034). The net loss on revaluation of carbon credit streaming and royalty agreements for the nine months ended September 30, 2026 was primarily related to the decrease in fair value of the Community Carbon Stream resulting from changes to the carbon credit production and sales profile, partially offset by accretion due to the passage of time.

In September 2026, the Company entered into an agreement with the project counterparty to sell its interest in the Community Carbon Stream, together with the Company's remaining carbon credit inventory under the Community Carbon Stream, for a total consideration of $6,000. Upon execution, the Company derecognized the Community Carbon Stream, recognized the Community Carbon Buyout Receivable of $6,000, which was collected in early October 2026, and recognized a gain on contract settlement of $2,766 for the three months ended September 30, 2026. Please refer to Note 8 for further information.

The fair value of carbon credit streaming and royalty agreements is estimated using discounted cash flow models, taking into consideration the following observable and non-observable inputs:

- Management's estimates of expected volumes and timing of the delivery and sale of carbon credits ("**carbon credit production and sales profiles**");
- Changes to carbon credit pricing assumptions, taking into consideration historical realized prices and overall market volatility of voluntary carbon credit pricing ("**carbon credit pricing assumptions**");
- Changes to the contractual terms of the underlying stream and royalty agreements;
- Changes in the risk-free interest rate;
- Changes to the inflation assumption applied to the nominal cash flows;
- Changes in project-specific risk factors, taking into consideration, among other things, legal, regulatory, political, and methodology risks; and
- Accretion due to the passage of time.

The following significant level 3 unobservable inputs were used to measure the Company's carbon credit streaming and royalty agreements using discounted cash flow models. Note that the carbon credit production and sales estimated values provided in the table below are per individual project on a 100% project basis and not aggregated.

Description of unobservable inputs	**Range of unobservable inputs for carbon credit streaming and royalty agreements – Nine months ended September 30, 2026**	**Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2025**
Carbon credit	**Agriculture, forestry and other land-**	**Agriculture, forestry and other land-**

Description of unobservable inputs	**Range of unobservable inputs for carbon credit streaming and royalty agreements – Nine months ended September 30, 2026**	**Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2025**
production and sales profiles	**use projects:** 0.002 million to 0.335 million carbon credits produced and sold per year, over 25-year terms, with an average of 0.047 million carbon credits per year.	**use projects:** 0.002 million to 0.362 million carbon credits produced and sold per year, over 25-year terms, with an average of 0.047 million carbon credits per year.
	Other nature-based projects: 0.012 million to 0.327 million carbon credits produced and sold per year, over 24-year terms, with an average of 0.097 million carbon credits per year.	**Other nature-based projects**: 0.012 million to 0.327 million carbon credits produced and sold per year, over 24-year terms, with an average of 0.097 million carbon credits per year.
	Biochar projects: 0.001 million to 0.011 million carbon credits produced and sold per year, over 25-year to 30-year terms, with an average of 0.006 million carbon credits per year.	**Biochar projects**: 0.001 million to 0.011 million carbon credits produced and sold per year, over 25-year to 30-year terms, with an average of 0.006 million carbon credits per year.
	Other projects: N/A	**Other projects**: 0.0003 million to 1.3793 million carbon credits produced and sold per year, over 8-year terms, with an average of 1.259 million carbon credits per year.

The relationship of the unobservable input to fair value is that as carbon credit production and sales profiles increase, the fair value increases.

Description of unobservable inputs	**Range of unobservable inputs for carbon credit streaming and royalty agreements – Nine months ended September 30, 2026**	**Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2025**
Carbon credit pricing assumptions	**Agriculture, forestry and other land-use projects:** $5.00 per carbon credit produced and sold.	**Agriculture, forestry and other land-use projects:** $5.00 per carbon credit produced and sold.
	Other nature-based projects: $75.00 per carbon credit produced and sold.	**Other nature-based projects**: $75.00 per carbon credit produced and sold.
	Biochar projects: $110.00 per carbon credit produced and sold.	**Biochar projects**: $110.00 per carbon credit produced and sold.

	Other projects: N/A	**Other projects**: $1.50 to $3.50 per carbon credit produced and sold.

The relationship of the unobservable input to fair value is that as the carbon credit pricing assumptions increase, the fair value also increases.

Description of unobservable inputs	**Range of unobservable inputs for carbon credit streaming and royalty agreements – Nine months ended September 30, 2026**	**Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2025**
Risk-adjusted discount rate	**Agriculture, forestry and other land-use projects:** 23.8%	**Agriculture, forestry and other land-use projects:** 25.6%
	Other nature-based projects: 17.8%	**Other nature-based projects**: 17.8%
	Biochar projects: 28.0% to 30.0%, with an average discount rate of 29.0%.	**Biochar projects**: 26.0% to 28.0%, with an average discount rate of 27.0%.
	Other projects: N/A	**Other projects**: 24.5%

The relationship of the unobservable input to fair value is that as the risk-adjusted discount rate increases, the fair value decreases.

For the nine months ended September 30, 2026, the impact of a 10% increase and 10% decrease in the estimated carbon credit production and sales profiles, with all other variables held constant, would result in an increase and decrease in the fair value of the carbon credit streaming and royalty agreements of $154 and $132, respectively (year ended December 31, 2025 – $552 and $509, respectively).

For the nine months ended September 30, 2026, the impact of a 10% increase and 10% decrease in the estimated carbon credit pricing assumptions, with all other variables held constant, would result in an increase and decrease in the fair value of the carbon credit streaming and royalty agreements of $91 and $132, respectively (year ended December 31, 2025 – $609 and $563, respectively).

For the nine months ended September 30, 2026, the impact of a 10% increase and 10% decrease in the risk-adjusted discount rate (as a percentage increase or decrease applied to the risk-adjusted discount rate), with all other variables held constant, would result in a decrease and increase in the fair value of the carbon credit streaming and royalty agreements of $293 and $319, respectively (year ended December 31, 2025 – $486 and $668, respectively).

7. Equity securities

During the first quarter of 2026, the Company invested $1,400 in a private mineral exploration company that subsequently completed a reverse merger transaction, resulting in the creation of Mackay Gold & Silver Corp. ("**Mackay**"), which commenced trading on the TSX Venture Exchange on April 24, 2026. As a result, the Company received one million common shares of Mackay. These equity securities are classified as a financial asset at fair value through profit or loss.

The following table summarizes the changes in the Company's equity securities for the nine months ended September 30, 2026:

	Nine months ended September 30, 2026
Balance, beginning of period	**$ -**
Investment	1,400
Revaluation of equity securities	549
Proceeds from sale of equity securities	(330)
Balance, September 30, 2026	**$ 1,619**

8. Community Carbon Buyout Receivable

On March 12, 2026, the Company entered into an earlier agreement to sell its interest in the Community Carbon Stream and related carbon credit inventory for total consideration of $6,000, pursuant to which the Company received a non-refundable deposit of $100 on March 23, 2026. In June 2026, the counterparty failed to make the required closing payment and the agreement terminated in accordance with its terms. Accordingly, the Company re-recognized the Community Carbon Stream at its previously recorded carrying value and recognized a net gain on contract settlement of $100 for the six months ended June 30, 2026, related to the deposit retained by the Company.

In September 2026, the Company entered into a new agreement with the counterparty to sell its interest in the Community Carbon Stream, together with the Company's remaining carbon credit inventory under the Community Carbon Stream, for total consideration of $6,000 (the "**Community Carbon Buyout Agreement**"). The consideration was funded through an initial cash amount paid by the counterparty and held in escrow and the sale of carbon credits to third-party purchasers.

Upon execution of the Community Carbon Buyout Agreement, the Company derecognized the Community Carbon Stream, and recognized the Community Carbon Buyout Receivable of $6,000. As a result, the Company recognized a gain on contract settlement of $2,766 for the three months ended September 30, 2026.

In October 2026, the Community Carbon Buyout Agreement closed and the Company collected the full consideration of $6,000. Upon closing, the Community Carbon Stream and related agreements were terminated, the Company's remaining carbon credit inventory under the Community Carbon Stream was transferred to the counterparty, and the parties granted mutual releases.

9. Warrant liabilities

The following table summarizes the changes in the warrant liabilities for the Company's Canadian dollar ("**C$**") denominated warrants for the nine months ended September 30, 2026 and the year ended December 31, 2025:

	Number of warrants		Amount
Balance, December 31, 2024	**12,309,539**	**$**	**188**
Exercises	(732,000)		(101)
Expiries and surrenders	(356,793)		(5)
Revaluation of warrant liabilities	-		(51)
Balance, December 31, 2025	**11,220,746**	**$**	**31**
Expiries	(11,220,746)		(31)
Balance, September 30, 2026	**-**	**$**	**-**

The following table reflects the Company's C$-denominated warrants outstanding and exercisable as at December 31, 2025:

Expiry date	Warrants outstanding and exercisable	Weighted average exercise price (C$)	Fair value methodology
January 27, 2026	2,615,500	3.75	Black-Scholes Option Pricing Model
March 2, 2026	8,605,246	7.50	Quoted price
	11,220,746	**6.63**	

During the nine months ended September 30, 2026, all of the above-listed C$-denominated warrants expired on their respective expiry dates without any exercises by the respective warrant holders.

10. Share capital

Authorized share capital

The Company has an unlimited number of voting Common Shares without par value and unlimited number

of preferred shares without par value authorized.

Issued share capital

As at September 30, 2026, there were 49,059,053 issued and fully paid Common Shares (December 31, 2025 – 49,059,053).

During the year ended December 31, 2025, pursuant to the settlement agreements entered into with InfiniteEARTH Limited and associated parties (collectively, "**InfiniteEARTH**"), the Company received 4,539,180 of its own Common Shares from the principals of InfiniteEARTH; these shares were immediately cancelled upon receipt. The corresponding adjustment was recognized in the Company's deficit at the share price of the Company's Common Shares as at the date of settlement.

During the year ended December 31, 2025, the Company issued 166,480 Common Shares for the settlement of restricted share units ("**RSUs**") and 732,000 Common Shares pursuant to the exercise of issued warrants.

During the year ended December 31, 2025, the Company received 5,000 of its own Common Shares pursuant to a voluntary abandonment by a shareholder; these shares were immediately cancelled upon receipt.

11. Warrants

During the nine months ended September 30, 2026, 2,615,500 warrants expired on January 27, 2026, 8,605,246 warrants expired on March 2, 2026, and 20,919,750 warrants expired on September 19, 2026 without any exercises.

During the nine months ended September 30, 2025, 312,000 warrants with an exercise price of C$0.625 expired on April 22, 2025.

As at September 30, 2026, there were no outstanding warrants issued by the Company (as at September 30, 2025 – 32,918,789).

12. Stock options and share unit liabilities

The Company has a long-term incentive plan ("**LTIP**") that was last approved by the shareholders on July 24, 2024, at the annual and special general meeting of shareholders. The Company adopted the LTIP as a means to provide incentives to eligible directors, officers, employees and advisors. The LTIP facilitates the grant of stock options, RSUs, and performance share units ("**PSUs**"), representing the right to receive one Common Share of the Company (and in the case of RSUs or PSUs, one Common Share of the Company, the cash equivalent of one Common Share of the Company, or a combination thereof) in accordance with the terms of the LTIP.

Additionally, the Company adopted a phantom share unit plan and a deferred share unit plan to provide

additional incentives to eligible directors. The Company's phantom share unit plan facilitates the grant of phantom share units ("**Phantom Units**") to directors representing the right to receive the cash equivalent of one Common Share of the Company. The Company's deferred share unit plan facilitates the grant of director share units ("**DSUs**") to directors representing the right to receive the cash equivalent of one Common Share of the Company upon departure from the Company's Board of Directors. The DSUs are recorded as a current liability in the statements of financial position of the Company.

Stock options

The following tables reflect the continuity of stock options for the nine months ended September 30, 2026 and the year ended December 31, 2025:

	Number of stock options	Weighted average exercise price (C$)
Balance, December 31, 2024	1,156,333	7.24
Cancellation	(200,000)	0.87
Expiries	(674,333)	9.95
Balance, December 31, 2025	282,000	5.28

	Number of stock options	Weighted average exercise price (C$)
Balance, December 31, 2025	**282,000**	**5.28**
Cancellation	(150,000)	0.87
Expiries	(50,000)	3.75
Balance, September 30, 2026	**82,000**	**14.29**

For the three and nine months ended September 30, 2026, the Company recorded share-based compensation expense for these stock options of $nil and $18, respectively (three and nine months ended September 30, 2025 – $6 and $95, respectively).

The following table reflects the Company's stock options outstanding and exercisable as at September 30, 2026:

Options outstanding	Options exercisable	Weighted average exercise price (C$)	Weighted average remaining contractual life (years)	Expiry Date
72,000	72,000	14.13	0.17	December 1, 2026
10,000	10,000	15.43	0.28	January 10, 2027
82,000	**82,000**	**14.29**	**0.18**	

RSUs, PSUs, Phantom Units, and DSUs

The following tables reflect the continuity of RSUs, PSUs, Phantom Units, and DSUs for the nine months ended September 30, 2026 and the year ended December 31, 2025:

	Number of RSUs	Number of PSUs	Number of Phantom Units	Number of DSUs
Balance, December 31, 2024	1,031,093	280,719	136,672	600,000
Forfeitures	(196,804)	(10,277)	-	-
Expiries	-	(270,442)	-	-
Converted into Common Shares and cash	(222,621)	-	-	-
Balance, December 31, 2025	611,668	-	136,672	600,000

	Number of RSUs	Number of Phantom Units	Number of DSUs
Balance, December 31, 2025	**611,668**	**136,672**	**600,000**
Cancellations	(65,000)	(37,668)	(330,000)
Balance, September 30, 2026	**546,668**	**99,004**	**270,000**

During the three and nine months ended September 30, 2026 and the three and nine months ended September 30, 2025, the Company did not grant any share-based compensation units to officers, directors, employees and advisors. During the year ended December 31, 2025, the PSUs reached the end of their performance period. As the applicable performance conditions were not achieved, these PSUs expired without any payment or share issuance.

As at September 30, 2026, the fair value of RSUs, PSUs, Phantom Units, and DSUs was $600, the entirety of which the Company considers to be current.

For these RSUs, PSUs, Phantom Units, and DSUs, the Company recorded a share-based compensation expense of $53 for the three months ended September 30, 2026 and a share-based compensation recovery of $129 for the nine months ended September 30, 2026 (three and nine months ended September 30, 2025 – share-based compensation expense of $161 and $307, respectively).

13. Financial instrument fair value and risk factors

Fair value

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 policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the nine months ended September 30, 2026, the equity shares in Mackay were reclassified from Level 2 to Level 1 of the fair value hierarchy. This reclassification was based on the availability of a quoted trading price for these shares. During the three and nine months ended September 30, 2025, no transfers took place.

The Company's financial instruments include cash, the Community Carbon Buyout Receivable, other receivables, carbon credit streaming and royalty agreements, investment in equity securities, accounts payable and accrued liabilities, and warrant liabilities. The carrying value of cash, the Community Carbon Buyout Receivable, other receivables, 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. The equity securities are valued using their quoted trading price based on Level 1 of the fair value hierarchy. Carbon credit streaming and royalty agreements (Level 3) are valued by taking into consideration various observable and unobservable inputs, including the carbon credit production and sales profiles, the carbon credit pricing assumptions, an applicable risk-adjusted discount rate and other contractual terms of the agreements (see Note 6).

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 are 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.

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 in creditworthy financial institutions. As at September 30, 2026, the Company was exposed to credit risk on the Community Carbon Buyout Receivable of $6.0 million, which was collected in full in October 2026. 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, 2026, the Company held cash of C$43.9 million in Canadian dollars and had accounts payable and other monetary liabilities of C$1.5 million in Canadian dollars. 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 $1,424 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 the cash held in its bank accounts. The income earned on the bank account is 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.

14. Commitments

Under its carbon credit streaming agreements, the Company is typically required to make an ongoing delivery payment to the project partner for each carbon credit that is delivered to the Company and sold under the stream. The timing and amount of such payments are 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.

In the second quarter of 2025, the Company initiated arbitration proceedings against Will Solutions Inc. ("**Will Solutions**") in connection with the termination of the Sustainable Community Stream. The Company terminated the Sustainable Community Stream in the third quarter of 2024. The arbitration proceeding is ongoing. Will Solutions delivered a short answer and counterclaim in the third quarter of 2025 and the Company has responded. The Company believes the counterclaim is without merit and, based on its assessment of the facts and current legal advice, considers the probability of an economic outflow to be remote.

In April 2025, the Company sued several former executives, directors, consultants and associated entities in the Ontario Superior Court of Justice. During the third and fourth quarters of 2025, certain defendants in the claim delivered counterclaims against the Company and certain acting directors and officers. During the first quarter of 2026, the Company delivered its replies to defences and defences to the counterclaim, as did the directors and officers. The Company has reviewed the counterclaims against it and considers that the counterclaims are without merit and that it has defences against the allegations raised in the counterclaims. As a result of this assessment, and because an outflow of economic resources is considered remote and a reliable estimate of any possible obligation cannot be made at this time, no provision has been recognised in these Interim Financial Statements.

15. Supplemental cash flow information

	Three months ended September 30, 2026	**Three months ended September 30, 2025**	**Nine months ended September 30, 2026**	**Nine months ended September 30, 2025**
Other non-cash adjustments				
Foreign exchange loss (gain)	**$ (5)**	$ 414	**$ 940**	$ (345)
Accretion (net of interest income on sub-lease)	**-**	-	**-**	-
Share-based compensation	**53**	166	**(111)**	402
Total other non-cash adjustments	**$ 48**	$ 580	**$ 829**	$ 57
Change in non-cash operating working capital items				
Prepaid	**$ (331)**	$ (276)	**$ (106)**	$ 6
Other receivables	**(344)**	190	**(424)**	798
Carbon credit inventory	**-**	1	**1**	6
Accounts payable and accrued liabilities	**527**	51	**311**	(460)
Total change in non-cash operating working capital items	**$ (148)**	$ (34)	**$ (218)**	$ 350