MIDORI CARBON INC. (formerly AJA Ventures Inc.)
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2023

Introduction

This Management Discussion and Analysis – Quarterly Highlights ("Quarterly Highlights") for Midori Carbon Inc. (formerly AJA Ventures Inc.) (the "Company") is prepared as at September 29, 2023 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and six months ended July 31, 2023 and in conjunction with its audited consolidated financial statements as at and for the year ended January 31, 2023.

The unaudited condensed consolidated interim financial statements for the three and six months ended July 31, 2023, and comparative information presented therein, have been prepared in accordance with International Financial Reporting Standard ("IFRS") and with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB").

All dollar figures included therein and in the following Quarterly Highlights are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements include statements regarding:

- the ability of the Company to identify businesses to invest in or acquire, and the ability to complete such investment or acquisition;
- the ability of the Company to obtain necessary financing;
- the Company's future liquidity and financial capacity; and
- costs, timing and future plans concerning the business and operations of the Company.

Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks have not been fully delineated by the Company at this time, but are expected to include the risks associated with the Company's ongoing identification, analysis and, if thought desirable, investment in or acquisition of target businesses, and the attendant risks associated therewith (such as not completing any such investments or acquisitions, and having no operating history), the Company's business, consolidated financial condition, results of operations and prospects following any such investments or acquisitions; the anticipated effect of such investment or acquisition on the Company's operations, financial condition, size, reach and overall strategy; and the Company's growth strategy, opportunities and its ability to realize thereon after the completion of any investments or acquisitions; its inability to generate or obtain funds for operations; changing economic conditions, financial market volatility, and to other factors that adversely affect the Company; regulations and laws governing the Company; and dependence upon the efforts, skill and business contacts of key members of management. Readers are cautioned not to place undue reliance on these forward-looking statements.

Description and Overview of Business

During fiscal 2023, the Company pivoted its business strategy to the carbon credit ecosystem and towards creating a carbon credit trading platform for the retail market. On August 29, 2023, the Company changed its name to Midori Carbon Inc.

Zero Degrees Technology Inc.

The Company, Zero Degrees Technology Inc. ("Zero Degrees"), and the sole shareholder (the "Vendor") of Zero Degrees entered into an agreement (the "Purchase Agreement") whereby the Company will acquire all of the issued and outstanding securities of Zero Degrees on a cash free, debt free basis (the "Acquisition"). In consideration, the Vendor will receive 15,000,000 shares of the Company, subject to adjustment in accordance with the Purchase Agreement. It is intended that, following completion of the Acquisition, Zero Degrees will be a wholly-owned subsidiary of the Company.

Completion of the Purchase Agreement is subject to several conditions, including the following:

- the Canadian Securities Exchange shall have granted conditional approval to the listing of the Company's common shares for trading following completion of the Acquisition; and
- all other consents, orders and approvals required, necessary or desirable for the completion of the Acquisition shall have been satisfied or waived.

Additionally, in consideration of Zero Degrees and the Vendor's obligations of exclusivity, the Company has agreed to fund up to GBP350,000 in development expenses with respect to Zero Degrees' carbon credit trading platform. As at July 31, 2023, the Company has loaned Zero Degrees $448,836 (GBP265,563). Subsequent to July 31, 2023, the Company loaned a further $47,241 (GBP27,594). These loaned funds are non-interest bearing and unsecured.

Zero Degrees' mission is to create a global open carbon exchange system, in contrast to the cumbersome, inaccessible, expensive and regionally isolated methods in which global carbon credits are currently bought, sold, retired and managed. To achieve this, Zero Degrees is building a platform for accessing carbon assets - and the broader carbon economy - with the aim of reducing the complexity of current industry practices, and an emphasis towards providing a simple and intuitive user experience.

Zero Degrees business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of carbon credit investments through projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary or compliance carbon credits. These carbon credits can then be purchased, sold and retired on the Zero Degrees platform to retail users.

The Company will provide further updates regarding the proposed acquisition of Zero Degrees as they become available.

Ora Technology PLC (formerly JSON Technology Ltd)

Ora Technology PLC ("Ora") is a UK based private company with a focus on developing a carbon credit trading platform for the European market. The Company acquired 5,000,000 common shares of JSON Technology Ltd for $85,595 (GBP50,000). On July 20, 2023, the common shares of Ora were listed for trading on the Aquis Stock Exchange. The Company has a director in common with JSON Technology Ltd.

Analysis of the Company's Financial Performance and Condition

Three Months Ended July 31, 2023

The Company reported earnings of $254,784 and earnings per share of $nil for the three months ended July 31, 2023 compared to a loss of $875,434 and a loss per share of $0.02 for the three months ended July 31, 2022.

For the three months ended July 31, 2023 and 2022, the differences and changes in expenditures were as follows:

- For the three months ended July 31, 2023, the Company reported an unrealized gain on fair value changes on investments of $547,153 due to the mark-to-market gains of 1) $55,452 of Cellular Goods Plc; 2) $90,000 of Filament Health Corp.; and 3) $401,701 of Ora Technology PLC. For the three months ended July 31, 2022, the Company reported an unrealized loss on fair value changes on investments of $747,872 due to the mark-to-market loss of $697,872 of Cellular Goods Plc and the mark-to-market loss of $50,000 of Filament Health Corp.
- The Company reported an equity loss on investment in associate of $31,474 (2022 - $nil). The Company owns 27% of the issued and outstanding share of CRBN Technologies Ltd.
- The Company reported a loss on sale of investments in the amount of $nil (2022 - $22,148) from the sale of 2,000,000 shares of Cellular Goods Plc.
- Consulting fees were $58,300 (2022 - $nil) and were incurred for administrative services, fees incurred in the build out of the Company’s carbon credit trading platform for the retail market, and transaction and strategic business development advice provided to the Company.
- Management fees were $82,988 (2022 - $28,353) and were composed of $79,500 (2022 - $25,000) paid to directors of the Company; and $3,488 (2022 - $3,353) paid to the Company’s CFO.
- Professional fees were $22,459 (2022 - $44,125) and were composed of $2,150 of (2022 - $3,102) of accounting and audit fees and $20,309 (2022 - $41,023) of legal fees. Legal fees were higher during 2022 as the Company was working on closing the LPI purchase as well as working on the associated listing application for its common shares.
- Promotion and marketing was $16,517 (2022 - $nil) and consisted of corporate rebranding work in regards to the Company’s movement into the carbon credit ecosystem.
- Salaries and wages were $66,674 (2022 - $nil) and were paid to the Company’s new CEO hired in March 2023 and two additional employees hired during the quarter.
- General and administrative expenditures were $9,321 (2022 - $21,026) and included consulting fees of $nil (2022 - $20,386) for administrative services and strategic business development advice provided to the Company.

<u>Six Months Ended July 31, 2023</u>

The Company reported a loss of $11,999 (2022 - $2,755,677) and a loss per share of $nil (2022 - $0.06) for the six months ended July 31, 2023.

For the six months ended July 31, 2023 and 2022, the differences and changes in expenditures were as follows:

- For the six months ended July 31, 2023, the Company reported an unrealized gain on fair value changes on investments of $634,997 due to the mark-to-market gains of 1) $98,711 of Cellular Goods Plc; 2) $135,000 of Filament Health Corp.; and 3) $401,286 of Ora Technology PLC. For the three months ended July 31, 2022, the Company reported an unrealized loss on fair value changes on investments of $2,579,108 due to the mark-to-market losses of 1) $2,499,108 of Cellular Goods Plc; and 2) $80,000 of Filament Health Corp.
- The Company reported an equity loss on investment in associate of $62,314 (2022 - $nil). The Company owns 27% of the issued and outstanding share of CRBN Technologies Ltd.
- The Company reported a loss on sale of investments in the amount of $nil (2022 - $22,148) from the sale of 2,000,000 shares of Cellular Goods Plc.
- Consulting fees were $135,296 (2022 - $nil) and were incurred for administrative services, fees incurred in the build out of the Company’s carbon credit trading platform for the retail market, and transaction and strategic business development advice provided to the Company.

- Management fees were $166,650 (2022 - $46,705) and were composed of $159,000 (2021 - $40,000) paid to the directors of the Company; and $7,650 (2022 - $6,705) paid to the Company's CFO.
- Professional fees were $39,507 (2022 - $56,039) and were composed of $2,150 of (2022 - $3,102) of accounting and audit fees and $37,357 (2020 - $52,937) of legal fees. Legal fees were higher during 2022 as the Company was working on closing the LPI purchase as well as working on the associated listing application for its common shares.
- Promotion and marketing was $27,009 (2022 - $nil) and consisted of corporate rebranding work in regards to the Company's movement into the carbon credit ecosystem.
- Salaries and wages were $93,871 (2022 - $nil) and were paid to the Company's new CEO hired in March 2023 and two additional employees hired during the quarter.
- Software development expenditures of $100,000 (2022 - $nil) were incurred for the carbon credit trading platform.
- General and administrative expenses of $11,377 (2022 - $30,613) consisted of $27,886 (2022 - $27,886) of consulting fees for administrative services and strategic business development advice provided to the Company.

Liquidity, Capital Resources, and Changes to Expense Structure

As at July 31, 2023, the Company's cash position was $513,307 (January 31, 2023 - $1,645,351) and it had working capital of $1,194,402 (January 31, 2023 – $1,592,923).

The Company did not have any sources of cash during the six months ended July 31, 2023.

Uses of cash by the Company included $597,613 for operating activities; $85,595 for the purchase of investments; and $448,836 for the loan to Zero Degrees.

As the Company does not currently carry active operations that generate cash flows, the continuing operations of the Company are primarily dependent on its ability to raise future financing. No assurance or guarantee can be given that the Company will find sources of funding.

Related Party Transactions

During the six months ended July 31, 2023, the Company incurred the following transactions with key management and directors and entities related to key management and directors in the normal course of operations:

- paid $99,000 for management fees to Marallo Holdings Inc., a private company controlled by Mike Edwards, director;
- paid $60,000 for management fees to Carraway Capital Corporation, a private company controlled by Mark Rutledge, director;
- paid $7,650 for management fees to Andrew Stewart, CFO; and
- paid $79,353 for salaries and wages to Kyle Bennett, CEO.

Risks and Uncertainties

Until such time as the Company completes its proposed acquisition of Zero Degrees and is able to generate revenues and profits, the Company will not have any cash generating assets and will remain reliant on equity and debt financings in order to maintain operations and/or to participate in any new acquisitions. These additional capital funds may not be available on terms acceptable to the Company or at all. There is no assurance that the Company will complete the proposed acquisition of Zero Degrees on the above-described terms or at all, nor that the Company will identify any other businesses or assets that warrant acquisition or participation.

The success of the Company may be affected by general economic, political and market conditions, such as interest rates, inflationary pressures and risks of economic recession, economic uncertainty, and national and political circumstances.