Introduction and Background

Midori Carbon Inc. (formerly AJA Ventures Inc.) (the "Company"), was incorporated under the laws of the Province of Alberta on April 19, 1998 and on July 26, 2002, the Company received a Certificate of Continuance from the Director under the provisions of the Canada Business Corporations Act and discontinued from the jurisdiction of Alberta. On February 11, 2020, the Company continued from under the Canada Business Corporations Act to under the Business Corporations Act (British Columbia).

The Company's shares were previously listed on the TSX Venture Exchange ("TSX-V"), however, its shares have not traded on the TSX-V since 2009. During the year ended January 31, 2022, the Company voluntarily delisted its shares from the TSX-V. On August 29, 2023, the Company changed its name to Midori Carbon Inc. Subsequent to January 31, 2024, the Company applied to the Canadian Securities Exchange ("CSE") to have its shares listed.

The Company's registered office is located at 700 – 400 West Georgia Street, Vancouver, BC, V6B 5A1.

The following management's discussion and analysis ("MD&A") of the results of operations and financial condition for the Company should be read in conjunction with the Company's audited consolidated financial statements for the years ended January 31, 2024 and 2023, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars unless otherwise stated.

Additional information about the Company may be found on SEDAR at www.sedar.com.

The effective date of this MD&A is May 30, 2024.

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 and carbon asset industry, pursuing investments in businesses involved in same, and creating a proprietary carbon credit trading platform for the retail market.

Software Development and Zero Degrees Technology Inc.

Since early 2023, the Company, Zero Degrees Technology Inc. ("Zero Degrees"), and the sole shareholder (the "Vendor") of Zero Degrees have collaborated on the ideation, conceptualization and development of a proprietary carbon credit trading platform (the "Platform") and related app for the Company. At the time, it was anticipated that the Company would acquire Zero Degrees so as to wholly-own all intellectual property in the Platform and entered into an agreement (the "Purchase Agreement") whereby the Company would acquire all of the issued and outstanding securities of Zero Degrees on a cash free, debt free basis (the "Acquisition").

As part of that development, the Company agreed to fund up to GBP350,000 in development expenses with respect to the Platform and the Company had advanced $542,387 (GBP320,571) during fiscal 2024 for payment to a software development company retained by Zero Degrees on the Company's behalf to develop the Platform. These loaned funds were non-interest bearing and unsecured as it was always intended that the work developed, and thus the cost, would be for the sole benefit of the Company.

Subsequently, Zero Degrees and the Vendor were no longer active in the development of the Platform. As such, the Purchase Agreement was terminated and the Acquisition no longer pursued. So as to ensure that any residual intellectual property rights of Zero Degrees and the Vendor in regards to the Platform were properly owned by the Company, as has always been intended, the parties entered into an IP assignment agreement instead, pursuant to which the Vendor will receive 6,750,000 common shares of the Company.

With the cancellation of the Purchase Agreement, the $542,387 advanced for the development of the Platform were recategorized as software development expenses. The software development expenses included such tasks as: system and UI/UX design for the Platform app on iOS, and additional follow-on development work; Platform backend design build in C# using microservices in Node JS; application program interface design for Platform transactions; Canadian banking and payment provider integration; Carbon Credit OTC integration; quality assurance testing; launch services with respect to release of the

Platform app to the Apple iOS app store; development, quality assurance and production environments on Google Cloud platform and analogous work with respect to Android systems; and establishment of tracking and analytics functions.

The Company has now completed development of the Midori app. Additionally the app has been approved by Apple for publishing in the App Store for iOS devices. The Company has also redeveloped the backend software that controls both customer and trading data. This was a significant undertaking and will greatly reduce infrastructure costs and improve customer experience when the app is publicly available. The development of the Company's technology is now substantially complete, and the Company will commercialize the app when it considers circumstances suitable.

The development of the app is part of the Company's overall business model, focused on acquiring, managing and growing a high-quality and diversified portfolio of carbon credit investments directly through its own projects, such as the Platform, and indirectly through investing in companies that generate or are actively involved, directly or indirectly, with voluntary or compliance carbon credits.

CRBN Technologies Ltd

CRBN Technologies Ltd ("CRBN") is a UK based private company with a focus on developing a carbon credit trading platform. During the year ended January 31, 2023, the Company purchased 43,000,000 common shares for $554,649 (GBP358,000). The Company's ownership interest in CRBN was reduced to 27% from 30.5% due to CRBN issuing common shares during the three months ended April 30, 2023. During the year ended January 31, 2024, the Company's share of CRBN's net loss was $62,314 (GBP37,260), reducing the Company's net investment in CRBN to $8,504.

During the year, it was determined that the Company 1) does not exert significant influence on the operations and business strategies of CRBN; 2) has no officers or directors in common with CRBN; and 3) does not own a controlling block of shares. As such, the Company changed its method of accounting for CRBN from the equity method to that of a financial asset – equity investment. The fair value of the CRBN shares remains $8,504.

CRBN Technology Inc. ("CRBN USA")

During the year, the shareholders of CRBN received shares in CRBN USA, a Delaware company, on a pro-rata basis. The Company received 430,000 common shares of CRBN USA with a value of $4.30. CRBN USA is developing its own carbon credit trading platform focused on the USA market. The fair value of the CRBN USA shares is $Nil.

The Company's ownership interest in CRBN USA is 23.5% and the Company 1) does not exert significant influence on the operations and business strategies of CRBN USA; 2) has no officers or directors in common with CRBN USA; and 3) does not own a controlling block of shares. CRBN USA is accounted as a financial asset – equity investment.

Ora Technology PLC (formerly JSON Technology Ltd)

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

IO+ Pte Ltd. ("IO+")

IO+ Pte Ltd. is a Singapore based private company with a focus on developing a digital carbon trading platform targeted towards users in Asia. The Company acquired 4,000,000 common shares of IO+ Pte Ltd. for $69,860 (GBP40,000).

On May 9, 2024, the shareholders of IO+ agreed to sell their shares to Flex Labs Inc. ("Flex"), on the basis of one share of IO+ for 0.77 shares of Flex. Flex is a UK based public company and its shares are listed and traded on the Aquis Stock Exchange. The Company will receive 3,087,719 common shares of Flex.

Selected Annual Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's audited consolidated financial statements. All dollar amounts are in Canadian dollars.

	Year ended January 31, 2024	Year ended January 31, 2023	Year ended January 31, 2022
Financial Results			
Net income (loss)	$ (729,222)	$ (3,924,294)	$ 2,409,925
Basic and diluted income (loss) per share	$ (0.02)	$ (0.08)	$ 0.09
Financial Position			
Working capital (deficiency)	$ 1,060,249	$ 1,592,923	$ 5,727,458
Total assets	$ 1,290,710	$ 2,036,881	$ 6,008,489

During Fiscal 2024, the Company completed the development of a proprietary carbon credit trading platform (the "Platform") and related app. The Company also invested in a new company, IO+, that will be creating its own digital carbon trading platform targeted towards users in Asia. Significant components of the Company's net loss for Fiscal 2024 were 1) software development costs of $663,637; 2) consulting and management fees of $448,960; and 3) salaries and wages of $153,483. The Company reported a gain on change in fair value on investments of $786,484 primarily attributable to Ora.

During Fiscal 2023, the Company shifted away from the life sciences industry and began to focus its attention on on the carbon credit industry. The most significant component of the Company's net loss for Fiscal 2023 was a $2,952,585 loss on change in fair value of its two investments in its remaining life sciences investments. The Company's expenditures on consulting and management fees were $249,456 higher in Fiscal 2023 compared to Fiscal 2022 as the Company made additions to its management team and engaged outside consultants in order to first work throught the LPI acquistion and then to research opportunities in the carbon credit industry.

During Fiscal 2022, the Company continued to reorganize its finances by 1) consolidating its common shares outstanding on a ten old for one new basis; 2) raising $1,003,485 of net proceeds from the issuance of 11,488,906 common shares; and 3) completing an amalgamation which resulted in the Company acquiring a 100% owned subsidiary through the issuance of 28,471,268 common shares at $0.06 per share for $1,708,276 that in turn resulted in the settlement of the $1,708,276 loan payable received during Fiscal 2021. The increase in operations resulted in higher expenditures on professional fees, management fees, share-based payments, and other general and administrative expenses. The Company also recognized $2,745,446 of unrealized gains on its previous equity investments.

Selected Quarterly Information

The following table presents selected financial information for each of the last eight fiscal quarters:

Fiscal Quarter Ended	Fair Value Changes on Investments	Net Income (Loss)	Income (Loss) per Share	Working Capital (Deficit)
January 31, 2024	$ (11,228)	$ (40,301)	$ -	$ 1,060,249
October 31, 2023	$ 162,715	$ (676,922)	$ (0.01)	$ 2,829,512
July 31, 2023	$ 547,153	$ 254,784	$ -	$ 1,194,402
April 30, 2023	$ 87,844	$ (266,783)	$ (0.01)	$ 1,192,800
January 31, 2023	$ (474,544)	$ (1,167,470)	$ (0.02)	$ 1,592,923
October 31, 2022	$ 101,067	$ (1,147)	$ -	$ 2,829,512
July 31, 2022	$ (747,872)	$ (875,434)	$ (0.02)	$ 2,953,007
April 30, 2022	$ (1,831,236)	$ (1,880,243)	$ (0.04)	$ 3,875,564

As a result of holding equity investments in the carbon credit and life sciences industries, the Company's net income (loss) has been volatile due to the recognition of unrealized gains and losses from these investments.

Expenditures on software development costs, consulting and management fees, and salaries and wages were the main components of general and administrative expenditures during four fiscal quarters of Fiscal 2024.

Results of Operations

For the year ended January 31, 2024, the Company reported a loss of $729,222 (2023 - $3,924,294) and a loss per share of $0.02 (2023 - $0.08). The significant components of loss were:

- For 2024, the Company reported an unrealized gain on fair value changes on investments of $786,484. The Company reported mark-to-market gains of 1) $782,935 of Ora; and 2) $33,462 of Filament Health Corp. The Company reported mark-to-market losses of 1) $28,173 of Cel AI Plc; and 2) $1,740 of IO+. Ora, Filament, and Cel AI shares trade on public stock exchanges. For 2023, the Company reported an unrealized loss on fair value changes on investments of $2,952,585. The Company reported mark-to-market losses of 1) $2,772,585 of Cel AI Plc; 2) $130,000 of Filament Health Corp.; and 3) the full impairment of the $50,000 LPI deposit.
- For 2024, the Company reported a gain on sale of investments in the amount of $3,920. This included a gain of $14,312 from the sale of 267,000 shares of Filament Health Corp. and a loss of $10,392 from the sale of 27,000,000 shares of Cel AI Plc. For 2023, the Company reported a loss on sale of investments in the amount of $19,235 from the sale of 3,000,000 shares of Cel AI Plc.
- The Company reported an equity loss on investment in associate of $62,314 (2023 - $483,831). The Company owns 27.5% of the issued and outstanding share of CRBN Technologies Ltd.
- As described above in the Software Development and Zero Degrees section, the Company recategorized the $542,387 (2023 - $nil) of advances to Zero Degrees for the development of the Platform as software development expenses to coincide with the cancellation of the Purchase Agreement. The Company also incurred an additional $121,250 (2023 - $nil) on software development expenses.
- Consulting fees were $193,393 (2023 - $155,021) 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. Fees incurred for 2023 were incurred for administrative services, fees incurred for the expired LPI agreement, and transaction and strategic business development advice provided to the Company.
- Management and directors fees were $255,567 (2023 - $176,335) and were composed of $237,500 (2023 - $164,500) paid to the directors of the Company; and $18,067 (2023 - $11,835) paid to the Company's CFO.
- Professional fees were $102,355 (2023 - $92,004) and were composed of $20,381 (2023 - $30,357) of accounting and audit fees and $81,974 (2023 - $61,647) of legal fees. Legal fees were higher during 2023 as the Company was working on Zero Degrees Purchase Agreement and subsequent termination of the Purchase Agreement, the IP Assignment Agreement, and updating and reworking its listing application for its common shares.
- Promotion and marketing was $52,871 (2023 - $6,773) and consisted of corporate rebranding work in regards to the Company's movement into the carbon credit ecosystem as well as social media engagement for the Platform.
- Salaries and wages were $153,483 (2023 - $nil) and were paid to the Company's new CEO hired in March 2023 and two additional employees hired during July. During Q4, the Company laid off all of its employees as market conditions necessitated a delay in the rollout of the Platform. Also, during Q4, the Company loaned its employees to Ora to help Ora build out its own digital carbon trading platform. Ora refunded $99,740 to the Company.
- Share-based payments were $nil (2023 - $19,054) relating to the fair value of the grant of 1,250,000 stock options during 2022.

Fourth Quarter Operations

For the three months ended January 31, 2024 (Q4/2024), the Company incurred a loss of $40,301 compared to a loss of $1,167,470 for the three months ended January 31, 2023 (Q4/2023). Significant expenditures and discrepancies incurred between Q4/2024 and Q4/2023 are as follows:

- The Company reported an unrealized loss on fair value changes on investments of $11,228 ($474,544 - Q4/2023).
- The Company reported an equity loss on investment in associate of $nil (Q4/2023 - $483,831).
- The Company incurred $37,518 (Q4/2023 - $30,352) of professional fees during Q4/2024. Professional fees were higher in Q4/2024 mainly due to updating and reworking its listing application for its common shares.
- The Company incurred $nil (Q4/2023 - $6,773) of promotion and marketing consulting work.
- The Company incurred $33,420 (Q4/2023 - $82,335) of management and directors fees.
- The Company incurred $21,250 (Q4/2023 - $nil) of software development expenditures.

Financial Condition, Liquidity and Capital Resources

The Company's working capital position as at January 31, 2024 was $1,060,249 (2023 - $1,592,923).

Sources of cash for the Company included $254,793 of proceeds from sale of investments.

Uses of cash by the Company included 1) $1,493,704 for operating activities; and 2) $155,455 for the purchase of investments.

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.

International Financial Reporting Standards – Changes in Accounting Policies

Refer to note 2 of the January 31, 2024 consolidated financial statements.

Financial Instruments

Refer to notes 3 and 10 of the January 31, 2024 consolidated financial statements.

Off-Balance Sheet Arrangements

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

Related Party Transactions

During the year ended January 31, 2024, the Company incurred the following transactions with key management and directors and entities related to key management and directors the normal course of operations:

- paid $112,000 for management fees to Carraway Capital Corporation, a private company controlled by Mark Rutledge, director and current CEO;
- paid $115,500 for management fees to Marallo Holdings Inc., a private company controlled by Mike Edwards, a former director and former CEO;
- paid $10,000 for directors fees to Letter 4 Consulting Ltd., a private company controlled by Darcy Taylor, director;
- paid $184,299 for salaries and wages to Kyle Bennett, the Company's CEO from March 2023 to January 2024; and
- paid $18,067 for management fees to Andrew Stewart, CFO.

Outstanding Share Data

As at May 30, 2024, the Company had the following securities issued and outstanding:

	Number	Exercise Price	Expiry Date
Common shares	48,415,813	n/a	n/a
Stock options	1,250,000	$ 0.09	July 31, 2026
Warrants	-	$ -	
Fully Diluted	**49,665,813**		

Directors and Officers

Mark Rutledge	Director and CEO
Kal Hourd	Director
Darcy Taylor	Director
Andrew Stewart	CFO

On March 20, 2023, Kyle Bennett was hired as the Company's new CEO and Mike Edwards resigned as CEO.

On August 25, 2023, Mike Edwards resigned as a director of the Company and Darcy Taylor was appointed a director of the Company.

On January 15, 2024, Kyle Bennett resigned as CEO and Mark Rutledge was appointed CEO of the Company.

Risks and Uncertainties

Until the Company decides to further commercialize and launch the Platform and is able to generate revenues and profits through same, 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 commercialization or launch of the Platform, 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.