

**SCOPE CARBON CORP.
(FORMERLY PUFFIN CAPITAL LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 and 2021**

The information contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended September 30, 2022 ("MD&A") has been prepared as of January 25, 2023. It should be read in conjunction with the audited financial statements of Scope Carbon Corp. (the "Company") for the year ended September 30, 2022.

The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in the Company's presentational currency of Canadian dollars unless otherwise indicated.

Forward Looking Statements

This MD&A contains forward-looking statements. These statements relate to future events or future performance and reflect our expectations and assumptions regarding our growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect our current beliefs and are based on information currently available to us. In some cases, forward-looking statements can be identified by terminology such as "may", "would", "could", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. The forward-looking statements in this MD&A include, among others, statements regarding our future operating results, economic performance and product development and commercialization efforts, and statements in respect of:

- our expected future losses and accumulated deficit levels;
- our projected financial position and estimated cash burn rate;
- our requirement for, and our ability to obtain, future funding on favorable terms or at all;
- our potential sources of funding;
- our assessment of the benefits of our technology;
- our expectations regarding the progress, and the successful and timely completion, of the various stages of the regulatory clearance process;
- our plans to market, sell and distribute our technology;
- our expectations regarding the acceptance of our technology by the market;
- our expectations with respect to future corporate alliances and licensing transactions with third parties; and
- our strategy with respect to the protection of our intellectual property.

A number of factors could cause actual events, performance or results, including those in respect of the foregoing items, to differ materially from the events, performance and results discussed in the forward-looking statements. Factors that could cause actual events, performance or results to differ materially from those set forth in the forward-looking statements include, but are not limited to:

- the effect of continuing operating losses on our ability to obtain, on satisfactory terms, or at all, the capital required to maintain the Company as a going concern;
- the ability to obtain sufficient and suitable financing to support operations, development and commercialization of our technology;
- the risks associated with the development and commercialization of our technology;
- the risks associated with the increase in operating costs from additional development and commercialization costs and increased staff;
- the regulatory approval process;
- our ability to successfully compete in our targeted markets;

- our ability to adequately protect proprietary information and technology from competitors;
- our ability to attract and retain key personnel;
- the potential for liability claims; and
- the substantial risks involved in early-stage technology development companies related to, among other things, commercialization, capitalization, cost containment, and potential litigation.

Although the forward-looking statements contained in this MD&A are based on what we consider to be reasonable assumptions based on information currently available to us, there can be no assurance that actual events, performance or results will be consistent with these forward-looking statements, and our assumptions may prove to be incorrect. These forward-looking statements are made as of the date of this MD&A.

Forward-looking statements made in this MD&A are made as of the date of the original document and have not been updated by us except as expressly provided for in this MD&A. As required by applicable securities legislation, in its capacity as a reporting issuer, it is the Company's policy to update forward-looking information in its periodic MD&As, as required from time to time, and provide updates on its activities to the public through the filing and dissemination of news releases and material change reports.

OVERALL PERFORMANCE & BUSINESS OVERVIEW

During the year ended September 30, 2022, the Company accomplished the following:

- Began organizing the new business activity of the Company by engaging professionals to assess the viability of acquiring and developing AI driven image recognition technology.
- Acquired an Artificial Intelligence ("AI") analytical software, for further development.
- Engaged Research Capital Corporation as agent in connection with an initial public offering.
- Became a Reporting Issuer.
- Completed its initial public offering on the Canadian Securities Exchange ("CSE") under the symbol "SCPE".

Scope Carbon Corp. is a carbon mapping technology company located in Vancouver, British Columbia and is focused on the commercial development of its proprietary technology, (the "Scope Analysis Platform"). The Scope Analysis Platform is an AI driven image recognition technology used for the identification and estimation of carbon-based lifeforms and carbon emissions, both key components in the identification of carbon credits.

SELECTED ANNUAL INFORMATION

During the year ended September 30, 2022, the Company began its primary business activity by acquiring an AI analytical software, began organizing all the components needed to run an operational business, and began listing the Company shares on the CSE. There was no corresponding business activity in the prior year. The below table provides selected financial information derived from the audited financial statements for the year ended September 30, 2022.

September 30	2022 \$	2021 \$	2020 \$
Total revenues	nil	nil	nil
Net income (loss)	(369,065)	(4,906)	(74,820)
Net income (loss) per share (basic & diluted)	(0.02)	(4,478)	(74,820)
Total assets	1,216,428	10,145	28,231
Dividends declared	nil	nil	nil

The increase in total assets from 2020 to 2022 arises from financing completed during the year ended September 30, 2022. The Company closed a non-brokered private placement for 4,500,000 common shares at a price \$0.005 per share for aggregate gross proceeds of \$22,500; 15,900,000 units at a price of \$0.02 per unit for proceeds of \$318,000; and 6,100,000 common shares at a price of \$0.05 per share for proceeds of \$305,000. The loss for the year ended September 30, 2022, arises from the increase in operational activities incurred due to supporting the initial public offering.

During the years ended September 30, 2022 there were no significant operational activities conducted by the Company. The loss from September 30, 2022 was primarily due to professional fees related to basic tax compliance filings.

SUMMARY OF QUARTERLY INFORMATION

The Company became a reporting issuer on August 15, 2022, prior to this the Company was not required to and has not prepared quarterly statements.

RESULTS OF OPERATIONS

Year Ended September 30, 2022

During the year ended September 30, 2022, the Company reported a net loss of \$369,065 or \$0.02 loss per share (September 30, 2021 - \$4,478 or \$4,478 loss per share).

	2022 \$	2021 \$
Expenses		
Advertising and promotion	36,608	-
Bank charges	955	-
Consulting fees	35,000	-
Currency exchange	2,066	-
Filing and Transfer Agent Fees	64,383	-
Interest expense	-	1,906
Office expenses	1,552	-
Professional fees	215,675	3,000
Research and development	8,746	-
Travel & Entertainment	7,444	-
Interest Income	(1,638)	-
Other (income) on forgiveness of loans payable	(1,726)	-
Income tax (recovery)	-	(428)
Net loss and total comprehensive loss for the period	(369,065)	(4,478)

The general and administrative expenses increased during the year ended September 30, 2022 compared to the comparable period. The most significant general and administrative expenses were with respect to the following:

- (i) Consulting fees - \$35,000 (2021 - \$nil)
The fees are related to the hiring of Mr. Alan Tam as Chief Financial Officer, as well as valuation consultants to assess the value of the Company's technology.
- (ii) Advertising and promotion expenses - \$36,608 (2021 - \$nil)
Advertising and promotion expense relate to website design and other design fees such as for a new logo for the Company.
- (iii) Filing and Transfer Agent fees - \$64,383 (2021 - \$nil)
Filing and transfer agent fees are related to the process of listing the Company shares on the CSE.
- (iv) Professional fees - \$215,675 (2021 - \$3,000)
The fees primarily relate to legal fees for the process of listing the Company shares on the CSE, as well as audit and accounting support fees.

Three months Ended September 30, 2022

During the three months ended September 30, 2022, the Company reported a net loss of \$170,797 or \$0.01 loss per share (September 30, 2021 - \$4,478 or \$4,478 loss per share).

	2022 \$	2021 \$
Expenses		
Advertising and promotion	30,432	-
Bank charges	265	-
Consulting fees	6,000	-
Currency exchange	1,930	-
Filing and Transfer Agent Fees	49,933	-
Interest expense	-	1,906
Office expenses	1,552	-
Professional fees	82,323	3,000
Research and development	-	-
Travel & Entertainment	-	-
Interest Income	(1,638)	-
Other (income) on forgiveness of loans payable	-	-
Income tax (recovery)	-	(428)
Net loss and total comprehensive loss for the period	(170,797)	(4,478)

The general and administrative expenses increased during the year ended September 30, 2022 compared to the comparable period. The most significant general and administrative expenses were with respect to the following:

- (i) Consulting fees - \$6,000 (2021 - \$nil)
The fees are related to consulting services provided by the Chief Financial Officer which were not incurred in prior comparable period.

- (ii) Advertising and promotion expenses - \$30,432 (2021 - \$nil)
Advertising and promotion expense relate to website design and other design fees such as for a new logo for the Company.
- (iii) Filing and Transfer Agent fees - \$49,933 (2021 - \$nil)
During the three months ended September 30, 2022, the Company was listed on the CSE resulting in an increase in filing and transfer agent fees with respect to services provided during the process.
- (iv) Professional fees - \$82,323 (2021 - \$3,000)
The fees primarily relate to legal fees for the process of listing the Company shares on the CSE, as well as audit and accounting support fees.

FINANCING ACTIVITIES

On January 31, 2022, the Company closed a non-brokered private placement for the issuance of 4,500,000 common shares at a price of \$0.005 per share for aggregate gross proceeds of \$22,500.

On February 11, 2022, the Company closed a non-brokered private placement for the issuance of 15,900,000 units at a price of \$0.02 per unit for aggregate gross proceeds of \$318,000. Each unit is comprised of one common share and one half of one common share purchase warrant, resulting in 7,950,000 warrants being issued as part of the private placement. Each whole warrant entitles the holder to purchase one common share at an exercise price of \$0.20 per share for a period of two years, expiring February 11, 2024. The Company allocated all the proceeds to the share capital and no amounts were allocated the warrants by applying the residual approach.

On February 28, 2022, the Company closed a non-brokered private placement for the issuance 6,100,000 common shares at a price of \$0.05 per share for aggregate gross proceeds of \$305,000.

On August 4, 2022, the Company's common shares were conditionally approved for listing on the Canadian Securities Exchange ("CSE") under the symbol "SCPE".

On August 15, 2022, the Company became a Reporting issuer.

On September 2, 2022, the Company has completed its initial public offering of 10,500,000 common shares at a price of \$0.10 per share for aggregate gross proceeds of \$1,050,000. Research Capital Corporation acted as agent in respect of the IPO. Pursuant to the IPO, the agent received a cash commission of \$105,000 and an aggregate of 1,050,000 warrants entitling the agent and members of its selling group to purchase 1,050,000 shares at \$0.10 for a period of two years, expiring September 2, 2024. The Agent also received a corporate finance fee of \$35,000 plus applicable taxes.

DIVIDENDS

There are no restrictions that could prevent the Company from paying dividends on its common shares. The Company has not paid any dividends on its common shares as it will incur losses for the foreseeable future and it is not contemplated that the Company will pay any dividends in the immediate or foreseeable future. It is the Company's intention to use all available cash flow as working capital.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2022, the Company had cash on hand of \$193,995 compared to \$1 as at September 30, 2021. The net increase in cash is primarily due to cash provided by financing activities of \$1,447,525 offset by cash used in investing activities of \$1,000,000 and operating activities of \$253,531.

At September 30, 2022 the Company had working capital of \$1,086,720 (September 30, 2021 - a working capital deficiency of \$14), and cash of \$193,995 to pay liabilities of \$129,708.

The Company will require additional funds for technology development, for upcoming regulatory fees, business development and general operations. The Company is currently seeking to raise additional capital and, in particular, is exploring opportunities for private placements and public placements with potential individual investors and/or institutional investors and other means of equity or debt financing.

There can be no assurance that financing will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Company has no existing contractual obligations other than as described herein. There are no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

a) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities. The Company's cash is carried at fair value using Level 1 inputs.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 – Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company believes that the carrying values of its financial instruments, being cash, short-term loans receivable and loan payable, approximate their fair values because of their nature and relatively short maturity dates or durations.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash held by the Company. The maximum exposure to credit risk is equal to the carrying value of the financial assets as disclosed in the statements of financial position. The credit risk related to cash is considered minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay its financial liabilities as they come due. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. As at September 30, 2022, the Company had a working capital of \$1,086,720.

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 not exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company conducts its business in Canada, and its expenditures are primarily incurred in Canadian dollars, and is therefore not exposed to significant foreign currency risk.

RELATED PARTY TRANSACTIONS

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these financial statements are listed below.

As at September 30, 2022, there were no related party balances outstanding (September 30, 2021 - \$Nil).

During the year ended September 30, 2022, the Company received an advance of \$2,414, from a director of the Company. On December 31, 2021, the Company repaid part of the advance in the amount of \$688. This advance was non-interest bearing and the remaining balance of \$1,726 was forgiven.

During the year ended September 30, 2022, the Company incurred \$18,000 (year ended September 30, 2021 - \$Nil) of consulting fee charges to an officer who is also the director of the Company.

A director of the Company is also the Trustee to the Prescott Family Foundation, the counterparty to the Technology Acquisition Agreement.

Key management personnel comprise the Company's Board of Directors and executive officers. No other remuneration was paid to key management personnel during the year ended September 30, 2022 and year ended September 30, 2021 other than as indicated above.

ADOPTION OF NEW ACCOUNTING STANDARD

The Company did not adopt any new accounting standards during the year ended September 30, 2022 which had a material impact upon adoption.

OFF BALANCE SHEET ARRANGEMENT

The Company has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA AND DILUTION CALCULATION

The Company has authorized share capital consisting of common shares without par value. The number of shares authorized is unlimited. The Company has issued warrants for the purchase of common shares and also a stock option plan. The table below summarizes the Company's common shares, stock options and warrants that are convertible into common shares as of January 25, 2023:

Issued and outstanding common shares	37,000,001
Share options with a weighted average exercise price of \$0.60	1,500,000
Share purchase warrants with a weighted average exercise price of \$0.18	9,000,000
Fully Diluted	47,500,001

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 liquidity/financial risk, general business and COVID related risks. 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.

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 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.

General Business Risks

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 agreements and GHG emission avoidance, reduction, and removal/sequestration programs; government regulations; commitments to reduce 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.

In March 2020, the World Health Organization declared a global pandemic related to the outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on certain sectors of the global economy and the regional economies in which the Company operates. Although there has been no material direct impact to the Company as at January 25, 2023, the ultimate impacts to the Company are not fully determinable at this date but could be material to the Company's forecasted exploration work and the Company's financial position, results of operations and cash flows. The continued uncertainty associated with the pandemic may have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital.

During February 2022, Russia launched a large military invasion of Ukraine leading to a disruption in the supply of energy resources, the imposition of sanctions on Russia, increased tension between the West and Russia and financial market uncertainty. These situations had an impact on many entities and the markets for the securities that they issue, and the impacts may continue.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the year-ended September 30, 2022 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at www.sedar.com.

SUBSEQUENT EVENTS

On October 1, 2022, the Company entered into a product development agreement with Marsman Limited ("Marsman") for the development of the Scope Analysis Platform. The product development agreement has a term of twelve months, renewing annually unless a written notice a termination has been delivered to the counter-party at least thirty (30) days prior to the expiration of the term. In accordance with the product development agreement, the Company shall pay Marsman monthly fees of CNY\$160,000.

On October 3, 2022, the Company granted a total of 1,500,000 stock options to directors, officers, and advisors of the Company to acquire common share of the Company at a price of \$0.60 per share expiring in 5 years from the date of grant. These stock options are subject to vesting terms defined in the Company stock option general plan.

On October 28, 2022, the Company entered into an investor relations agreement with Maynard Communication Limited ("Maynard") for the provision of investor relations services. In accordance with the investor relations agreement, the Company has agreed to pay monthly fees of \$16,666 to Maynard.