SCOPE CARBON CORPORATION
(FORMERLY PUFFIN CAPITAL LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2022

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Scope Carbon Corporation. (the "Company" or "Scope Carbon Corp.") should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended December 31, 2022 and the audited consolidated financial statements for the year ended September 30, 2022 and the notes thereto.

The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and include the operating results of the Company. Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A is dated February 13, 2023.

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 and the three months ended December 31, 2022, the Company accomplished the following:

- On November 15, 2022, the Company announced that it has received its initial mapping data from Farm Flight.

- On October 28, 2022, the Company engaged investor relations firm Maynard Communications as an investor relations firm.

- On October 3, 2022, the Company announced it has granted 1,500,000 stock options to directors, officers and consultants of the Company.

- On October 3, 2022, the Company enters into product development agreement with Marsman Limited to assist in advancement of the Company's self-learning image recognition technology.

- 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.

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

Three months Ended December 31, 2022

During the three months ended December 31, 2022, the Company reported a net loss of $858,063 or $0.02 loss per share (December 31, 2022 - $18,042 or $18,042 loss per share).

	2022 $	2021 $
Expenses		
Advertising and promotion	4,973	-
Bank charges	501	11
Consulting fees	6,000	-
Currency exchange	843	-
Filing and Transfer Agent Fees	12,184	-
Investor relations	33,333	-
Professional fees	47,977	19,757
Research and development	93,224	-
Share-based compensation	671,663	-
Interest Income	(12,635)	-
Other (income) on forgiveness of loans payable		(1,726)
Net loss and total comprehensive loss for the period	(858,063)	(18,042)

The general and administrative expenses increased during the three months ended December 31, 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) Investor Relations - $33,333 (2021 - $nil)
On October 28, 2022, the Company entered into an investor relations agreement with Maynard Communications Limited for the provision of investor relation services. During the three months ended December 31, 2022, the Company incurred $33,333 in relation to the monthly services.

(iii) Filing and Transfer Agent fees - $12,184 (2021 - $nil)
These costs are related to the preparation of listing on the OTCQB Venture Market which were not incurred in prior comparable period.

(iv) Professional fees - $47,977 (2021 - $19,757)
The increase in costs from prior comparable period related primarily relate to legal fees for the process of listing the Company shares on the OTCQB Venture Market and corporate-commercial and regulatory guidance, as well as accounting support for the three months ended December 31, 2022.

(v) Research and Development - $93,224 (2021 - $nil)
On October 1, 2022, the Company entered into a product development agreement with Marsman Limited for the development of the Scope Analysis Platform. During the three months ended December 31, 2022, the Company incurred $93,224 in relation to monthly services.

Other items impacting income for the year are:

(vi) Share-based compensation expense $671,663 (2021 - $nil)
During the three months ended December 31, 2022, the Company granted 1,500,000 options to directors, officers, advisors of the Company to acquire common shares of the Company at a price of $0.60 per share expiring in 5 years from the grant date. The share-based compensation expense is non-cash and relates to the vesting of the options granted.

FINANCING ACTIVITIES

During the three months ended December 31, 2022 and 2021, the company did not compete any financings.

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 December 31, 2022, the Company had cash on hand of $100,863 compared to $193,995 as at September 30, 2022. The net decrease in cash is primarily due to cash used in operating activities of $293,132.

At December 31, 2022 the Company had working capital of $900,320 (September 30, 2021 - $1,086,720), and cash of $100,863 to pay liabilities of $47,552.

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 December 31, 2022, the Company had a working capital of $900,320.

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.

At December 31, 2022, there was $2,100 owing to the Chief Financial Officer ("CFO") of the Company (September 30, 2022 - $Nil). During the three months ended December 31, 2022, the Company also incurred $6,000 (2021- $Nil) of consulting fees in relation to CFO services.

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.

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 three months ended December 31, 2022 and 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 February 10, 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 $0.19	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 and general business. 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.

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 three months ended December 31,2022 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 January 17, 2023, the Company announced its common shares have been approved for listing on the OTCQB Venture Market and have commenced trading on the OTCQB under the symbol "SCPCF".