Global Carbon Credit Corp.

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED OCTOBER 31, 2024

GLOBAL CARBON CREDIT CORP.

Management's Discussion and Analysis of Results of
Operations and Financial Condition
For the period ended October 31, 2024
(Expressed in United States Dollars)

Introduction

This Management Discussion and Analysis (this "MD&A") of Global Carbon Credit Corp. (the "Company") has been prepared by management in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of December 27, 2024 and should be read in conjunction with the condensed consolidated interim financial statements for the period ended October 31, 2024, the audited consolidated financial statements for the years ended January 31, 2024 and 2023, and the related notes contained therein which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

Overview

Global Carbon Credit Corp. (the "Company") was incorporated on April 7, 1952 under the laws of British Columbia and historically, its principal activity was the exploration of resource properties.

On November 30, 2021, the Company changed its name to Global Carbon Credit Corp. and repurposed its principal activity to an Environmental, Social and Governance ("ESG") principled company offering investors direct exposure to the voluntary carbon market via direct carbon credit purchases, entering into streaming arrangements with carbon offset project developers and investing in carbon-related technologies.

The Company's head office and registered office is 250 – 750 West Pender Street, Vancouver, BC, V6C 2T7. The Company was formerly listed on the TSX Venture Exchange under the symbol "SRY".

On July 10, 2002, trading in the shares of the Company was suspended by the TSX-V for having failed to file annual audited financial statements for the year ended January 31, 2002. The annual audited financial statements for the fiscal years ended January 31, 2021, 2020 and 2019, along with the interim financial statements for the three-month period ended April 30, 2021, were filed by the Company effective August 10, 2021 and the British Columbia Securities Commission revoked their cease trade order issued against the Company effective August 11, 2021.

Carbon Credit Inventory

During the years ended January 31, 2023 and 2022, the Company acquired various verified emission reductions ("VERs") referred to as Carbon Credit units ("CCUs"). The CCUs are recorded on registries by Verra, Climate Action Reserve and the Gold Standard Foundation, based in Washington D.C., Los Angeles, CA, and Geneva, Switzerland, respectively. The CCUs acquired during the year ended January 31, 2023 were for vintages ranging from 2007 to 2021 at prices ranging from $6.20 to $14.75 per unit from projects all over the world (year ended January 31, 2022 for vintages ranging from 2008 to 2021 at prices ranging from $6.40 to $8.50). To acquire the CCUs, the Company paid commissions during the year ended January 31, 2023 totaling $34,966 (year ended January 31, 2022 – $346,062). During the year ended January 31, 2023, the Company purchased 781,477 CCUs for a total cost of $8,087,664 (year ended January 31, 2022 purchased 1,962,139 CCUs for a total cost of $15,522,477). As at October 31, 2024, the Company held 2,743,616 CCUs at a cost of $23,610,141.

During the period ended October 31, 2024, the Company recognized a $986,232 (C$1,347,907) (year ended January 31, 2024 – $3,768,719 [C$5,063,645]) write-down to the carrying value of its carbon credit inventory, using an average of the bid prices of the Global Emissions Offset futures ("GEO") and Nature-Based Global Emissions Offset futures ("N-GEO") as inputs in determining the net realizable value of the CCUs. As at October 31, 2024, the Company held 2,743,616 CCUs at a net realizable value of $1,042,268 (C$1,450,629) (January 31, 2024 - $2,028,500 [C$2,720,624]).

Results of Operations

Quarterly Results

The following table summarizes the results of operations for the most recent quarters since incorporation:

	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Comprehensive income (loss) for the period	(83,377)	(985,532)	(456,400)	339,251
Gain (loss) per share	(0.00)	(0.01)	(0.00)	0.00

	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Comprehensive loss for the period	(1,011,577)	(2,636,874)	(1,280,487)	(18,185,985)
Gain (loss) per share	(0.01)	(0.02)	(0.01)	(0.15)

During the three months ended October 31, 2024, the Company recognized a $139,433 recovery of the carrying value of its carbon credit inventory.

During the three months ended July 31, 2024, the Company recognized a $848,550 write-down of the carrying value of its carbon credit inventory.

During the three months ended April 30, 2024, the Company recognized a $277,115 write-down of the carrying value of its carbon credit inventory.

During the three months ended January 31, 2024, the Company recognized a $296,518 recovery of the carrying value of its carbon credit inventory.

During the three months ended October 31, 2023, the Company recognized a $733,724 write-down of the carrying value of its carbon credit inventory.

During the three months ended July 31, 2023, the Company recognized a $2,178,513 write-down of the carrying value of its carbon credit inventory.

Results for the nine months ended October 31, 2024:

The Company had a net loss of $1,293,826 for the nine months ended October 31, 2024, compared to $4,654,971 for the nine months ended October 31, 2023.

- Consulting was $338,807 for the nine months ended October 31, 2024, compared to $514,016 for the nine months ended October 31, 2023. The difference is due to decreased contracting and reduced rates for existing consultants in the current period.
- Marketing was $3,893 for the nine months ended October 31, 2024, compared to $102,223 for the nine months ended October 31, 2023. The difference is due to decreased contracting for promotional activities in the current period.
- Professional fees was $144,680 for the nine months ended October 31, 2024, compared to $98,891 for the nine months ended October 31, 2023. The difference is due to increased legal fees relating to US tax and securities matters in the current period.
- A write-down of carbon credit inventory totaling $986,232 was recognized for the nine months ended October 31, 2024, compared to a write-down of $4,065,237 for the nine months ended October 31, 2023. The difference is due to valuation of the carbon credit inventory in the current and prior period.

Results for the three months ended October 31, 2024:

The Company had a net loss of $48,827 for the three months ended October 31, 2024, compared to $685,500 for the three months ended October 31, 2023.

- Professional fees was $62,571 for the three months ended October 31, 2024, compared to $26,123 for the three months ended October 31, 2023. The difference is due to increased legal fees relating to US tax and securities matters in the current period.
- A recovery of carbon credit inventory totaling $139,433 was recognized for the three months ended October 31, 2024, compared to a write-down of $733,724 for the three months ended October 31, 2023. The difference is due to valuation of the carbon credit inventory in the current and prior period.

Liquidity and Capital Resources

The Company will require funds to meet its ongoing day-to-day operating expenses and will continue to rely on equity financing during such period. There can be no assurance that financing will be available on terms satisfactory to the Company.

The Company had working capital of $4,197,271 as at October 31, 2024.

Since incorporation, the Company's capital resources have been limited. The Company has relied principally upon the issue of equity securities.

Share Capital

As at the date of this report, the Company had the following:

- 122,115,168 shares outstanding
- No stock options outstanding
- No warrants outstanding

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Transactions with Related Parties

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the period ended October 31, 2024, the Company incurred $68,294 (C$93,153) (2023 - $68,415 [C$92,265]) in professional fees to an accounting firm of which a director of the Company is a partner.

During the period ended October 31, 2024, the Company incurred $9,897 (C$13,500) (2023 - $6,674 [C$9,000]) in consulting fees to a director of the Company. As at October 31, 2024, there was $3,395 (C$4,725) (January 31, 2024 - $2,349 [C$3,150]) included in accounts payable and accrued liabilities due to a director of the Company.

During the period ended October 31, 2024, the Company incurred $9,897 (C$13,500) (2023 - $6,674 [C$9,000]) in consulting fees to a director of the Company. As at October 31, 2024, there was $3,395 (C$4,725) (January 31, 2024 - $2,349 [C$3,150]) included in accounts payable and accrued liabilities due to a director of the Company.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

Adoption of new and amended accounting standards

Please refer to the January 31, 2024, audited consolidated financial statements.

Financial Instruments

Please refer to the October 31, 2024, condensed consolidated interim financial statements.

Proposed Transactions

There are no proposed transactions.

Internal Controls over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109 ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited condensed interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification 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.

Forward-looking information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. This forward-looking information reflects the Company's current beliefs and is based on information currently available to it and on assumptions it believes are reasonable. Specifically, the above statements that the Company plans to continue to purchase carbon credits, to raise additional funds, and to provide shareholders exposure to the carbon credits market are all forward-looking. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the availability of carbon credits or projects at costs acceptable to the Company, or at all; general business, economic, competitive, political and social uncertainties; the value of the credits acquired by the Company may decline; and changes in governmental or regulatory legislation. There is no assurance the proceeds of the on-going private placement will be allocated or spent in the manner set forth above. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Risks and Uncertainties

Limited operating history for the Company's current strategy

In September 2021, the Company changed its business strategy from a focus on the natural resource sector to the carbon markets. Prior to September 2021, the Company did not have any record of operating under an investment strategy with a focus on carbon credits. As such, the Company is subject to all of the business risks and uncertainties associated with starting a new business, including the risk that the Company will not achieve its financial objectives as estimated by its management.

The nature of our operations is highly speculative and there is a consequent risk of loss of your investment. 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 trading, stream agreements for carbon credits, and GHG emission avoidance, reduction and 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 will be achieved and there is no certainty that the Company will successfully make profitable acquisitions of carbon credits, streams or other interests. In particular, its future growth and prospects will depend on its ability to expand its portfolio of investments while at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Company's business, financial condition and results of operations.

Liquidity concerns and future financing requirements

The Company has had negative cash flow from operations and it is likely the Company will operate at a loss until we are able to realize cash flow from our investments. We may require additional financing in order to fund our business, business expansion, and/or negative cash flow. The Company's ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us, or at all. If additional financing is raised by the issuance of Common Shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our business at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

Fluctuating price of carbon credits

The principal factors anticipated to affect the price of the Common Shares are factors which may affect the price of carbon credits and are thus beyond the Company's control. The price at which the Common Shares are traded will be influenced by a number of factors, some specific to the Company and some which may affect listed companies generally. These factors could include the performance of the Company, legislative and regulatory changes and general economic, political or regulatory conditions, including the level of commitment to the goals of the Paris Agreement by both governments and corporations and other private and public initiatives aimed at reducing GHG emissions. Changes in government priorities as a result of government deficits or as a result of changes in the prevailing views concerning the impact of GHGs on climate change could adversely affect the demand for carbon credits and thereby their price. Interpretation and enforcement of environmental legislation will vary by country and is subject to sudden change. Carbon credit prices will also be influenced by infrastructure and technological advances in reducing and sequestering GHG emissions and the economics associated with those activities. There can be no assurance that continual fluctuations in the price of carbon credits will not occur. In addition, carbon credits are traded in both the compliance and voluntary markets and the price for a carbon credit varies according to not only the market on which it is traded, but also according to its type, location, vintage, accreditation and additional social and environmental attributes. It is likely that the market price for the Company's carbon credits will be subject to market trends generally.

Lack of liquidity and high volatility of carbon markets

Carbon markets, particularly the voluntary markets, are still evolving and there are no assurances that the carbon credits purchased by the Company or generated by the Company's investments will find a market. The carbon credit markets, particularly the voluntary markets, have experienced a high level of price and volume volatility. There is, or there may be in the future, a lack of liquidity for the purchase or sale of carbon credits. We may not be able to purchase or sell the volume of carbon credits we desire in a timely manner or at an attractive price. The pool of potential purchasers and sellers is limited, and each transaction may require the negotiation of specific provisions. Accordingly, a purchase or sale may take several months or longer to complete. In addition, as the supply of carbon credits is limited, we may experience difficulties purchasing carbon credits. The inability to purchase and sell on a timely basis in sufficient quantities could have a material adverse effect on the Company's securities.

Verification, cancellation and other risks associated with carbon credits

In seeking to acquire and grow a diversified and high-quality portfolio of voluntary carbon credits, the Company's intention is to only acquire carbon credits that have been validated by an internationally recognized carbon credits standards body in the voluntary market, such as through VCS administered by Verra. Any actual or proposed changes to international carbon standards or verification requirements may impact the carbon credits held in the Company's portfolio or the amount or timing of carbon credits generated by a project or an investment, which could result in a material and adverse effect on our profitability, results of operation and financial condition.

Carbon trading may become obsolete

Carbon trading is regulated by specific jurisdictions pursuant to regional legislation or can be voluntary. When regulated (e.g. in the European Union and in the Western Climate Initiative jurisdictions), governments compel emitters to reduce their GHG emissions through technological improvements or through the purchase of carbon credits. It is an identified risk factor that new legislation may arise in certain jurisdictions that may render the Company's business plan and knowledge obsolete with respect to carbon credits. With respect to the voluntary trade of carbon credits, there is a significant risk that certain voluntary purchasers of carbon credits may elect to cease the purchase of carbon credits for various reasons that are inherent to their business plans, or because of changing economic, political contexts or other conditions that cannot be controlled by the management of the Company.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Competition

There are many organizations, companies, non-profits, governments, asset managers and individuals that are buyers of carbon credits, or rights to or interest in carbon credits, and there is currently a limited supply of carbon credits, projects to generate future carbon credits and investment opportunities in carbon credits. Many competitors are larger, more established companies with substantial financial resources, operational capabilities and long track-records in carbon markets. The Company may be at a competitive disadvantage in investing in carbon credits or investments related to carbon credits, whether by way of purchases in carbon markets, streams, royalties or other forms of investment, as many competitors have greater financial resources and technical staffs. Accordingly, there can be no assurance that we will be able to compete successfully against other companies in building a portfolio of carbon credits and carbon credit related investments. Our inability to acquire carbon credits, streams, royalties and/or other carbon credit related investments may result in a material and adverse effect on our profitability, results of operation and financial condition.

Risks associated with future streaming investments

In the future, the Company may evaluate and/or enter into carbon credit streaming or royalty arrangements with project developers, non-governmental organizations (NGOs), non-profits, companies, individuals and governments for carbon credits from assets, properties or projects, with the attendant difficulties and risks inherent in such transactions, including without limitation risks associated with international transactions, due diligence risks, title risks and permitting and licensing risks.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflicts of interest

The Company's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

Market for Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. An active public market for the Common Shares might not develop or be sustained after the completion, if obtained, of a listing on an exchange. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

No prior market for Common Shares

There is currently no public market for the Common Shares and there is no guarantee that a listing on an exchange will be completed. If listing is not completed, or if an active public market does not develop or is not maintained, investors might have difficulty selling their Common Shares.

Prospect of dividends

The Company currently intends to use its future earnings, if any, and other cash resources for the operation and development of its business and does not currently anticipate paying any dividends on the Common Shares.