

Management's Discussion and Analysis of Financial Condition and Results of Operations for the nine months ending September 30, 2023 and 2022

Background

This management discussion and analysis (“**MD&A**”) of the financial position of Ostrom Climate Solutions Inc. (“**Ostrom**”, the “**Company**” and “**us**,” “**our**” or “**we**”) and results of its operations for the nine months ended September 30, 2023 is prepared at November 29, 2023. This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2022, the unaudited condensed interim financial statements for the nine months period ended September 30, 2023 and the related notes thereto. The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). All currency amounts are expressed in Canadian dollars, unless otherwise noted. This MD&A is prepared in conformity with National Instrument 51- 102F1 and has been approved by the Board of Directors.

Forward-Looking statements

This MD&A includes forward-looking statements including in particular forward-looking statements regarding working capital, access to financing, the ability of the Company’s projects with recurring verifications to retain their validation status within the scope of changes in voluntary or regulated standards or guidance, the ability of counterparties to sale or purchase contracts to remain going concerns, and possible changes in greenhouse gas emissions regulation in the United States, Canada, Europe or other jurisdictions. Forward-looking Statements may be identified by the use of words such as “will”, “may”, “plan”, “could”, “should” and other similar wording or meanings. Where forward-looking statements are included, the material assumptions underlying them and the risk factors affecting them are referenced. Except for historical information contained in this MD&A, the following disclosures are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of applicable Canadian provincial securities laws or are future oriented financial information and, as such, are based on an assumed set of economic conditions and courses of action. Please refer to the cautionary note regarding the risks associated with forward-looking statements at the back of this MD&A

The Company does not intend, and does not intend to assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or circumstances or any other events affecting such statements or information other than as required by applicable law. Where a material change to forward-looking statements occurs and its disclosure is required by applicable law, that material change is disclosed as soon as practicable in a news release and material change report and, when applicable, is included with future MD&A and other continuous disclosure documents. All material changes to forward-looking statements are made available on SEDAR at www.sedar.com

Description of the business

The Company was incorporated on July 6, 2005 under the Business Corporations Act (BC). The Company was classified as a Capital Pool Company and completed an initial public offering and commenced trading on the TSX Venture Exchange (“**TSX-V**”) on April 25, 2006, currently trading under the symbol “**COO**”. The Company’s head office, principal address, and registered and records office is located at Unit 300-948 Homer Street, Vancouver, British Columbia, V6B 2W7, Canada.

The Company's primary business is climate risk management, both physical and transition for corporations, environmental commodity developments (specifically carbon offset projects but also more broadly) and climate change mitigation activities. The Company has 4 divisions – Carbon Management and Innovation, Domestic Land Use, International Land Use and a Retail Offset Sales business delivered as the Offsetters Community.

As industry becomes increasingly interested in the climate space, Ostrom is seeing increased demand of its services. The Company has an extensive track record in developing environmental assets in some of the most challenging jurisdictions globally. For more than a decade, Ostrom has been a trusted advisor and partner with First Nations in Canada, ensuring they have the required information available, allowing them to incorporate environmental commodity values into their natural resource decision making. Ostrom is recognized as a tenured and accomplished project development company having been at the forefront of environmental asset development for more than 15 years. The Company has an experienced team with the knowledge and experience to both originate viable carbon projects as well as allocate capital into high quality, risk-managed sustainable investments.

The team at Ostrom has developed over 10 million tonnes of carbon offsets in numerous jurisdictions using many different standards, protocols and of various project types. With demand for offsets expected to rapidly grow over the next 5 – 10 years we are well placed to capitalize on that growth and have recently raised \$1M of equity capital in order to allow the team to continue its focus on aggressively developing our project pipeline.

The market has seen a steep rise in carbon commodity prices in the last year, and a move towards more sophistication in trading capabilities (both of which can be evidenced by the NGE0 and GEO contracts on "CBL" – a global exchange platform for transacting energy and environmental commodity products). This general trend is expected to continue, as is the steady increase in the number of net-zero commitments being publicly made both at a corporate level and at jurisdictional levels.

Developments during the year ended December 31, 2022

- On January 7, 2022, the Company announced the rebrand of subsidiary Offsetters Clean Technology Inc. to Ostrom Climate Solutions (Canada) Inc.
- On February 28, 2022, the Company announced a non-brokered private placement offering of 15,383,460 units at a per unit price of \$0.065 for gross proceeds of \$999,925. Each unit consist of one common share in the capital of the Company and one non-transferable share purchase warrant, each warrant entitling the purchase of one common share at a per share price of \$0.085 for 60 months from the date of issuance of the securities. Three insiders of the Company, Guy O'Loughnane, Alexander Zang and Forest Finance Services GmbH (Harry Assenmacher) participated in the Offering for aggregate cash consideration to the Company of \$500,000, which constitutes a Related Party Transaction under Exchange Policy 5.9. The investment by and participation of Mr. O'Loughnane in the Offering resulted in Mr O'Loughnane being a control person of the Company on a partially diluted basis in accordance with the policies of the Exchange. On closing, Mr. O'Loughnane holds or has direction or control over 11,239,423 common shares of the Company and stock options and Warrants exercisable for an aggregate of 6,276,923 common shares of the Company, resulting in a total holding of 21% of the common shares of the Company, on a partially diluted basis (assuming the exercise by Mr. O'Loughnane of his outstanding options

and warrants). The Company received shareholder approval by way of written consents to the creation of Mr. O’Loughnane as a control person of the Company.

- On July 18, 2022 WBZ GmbH amended convertible debenture originally issued on July 15, 2015, closed it with NatureBank Technology Inc. and issued new convertible debenture of \$280,000 to Ostrom Climate Solutions Inc., with maturity date of Jun 14, 2027.
On August 4, 2022 the Company issued 1,099,032 common shares to settle accrued and unpaid interest owed to WBZ GmbH, for the original debenture issued to NatureBank Technology Inc.

Developments during the nine months ended September 30, 2023

- On February 2nd, 2023, Mr. Gary Bull resigned as a Director from the Board of Directors. Mrs. Petrina Ooi was appointed as a Director on the same date.
- On September 26th, 2023, the Company announced that it will conduct a non-brokered private placement offering pursuant to which it expects to issue up to 18,115,942 common shares at a \$0.069 per share price for gross proceeds of up to \$1,250,000.

General Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. These condensed consolidated interim financial statements have been prepared on a basis consistent with the accounting policies applied for the year ending December 31, 2022 and follow the same accounting policies and methods of application as the 2022 annual consolidated financial statements. They do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, selected notes are included that are significant to understanding the Company’s financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2022. These condensed consolidated interim financial statements were approved by the Board of Directors on November 29, 2023.

Selected Quarterly Information

The following table sets forth selected financial information for the Company for the quarter ended September 30, 2023 and year ended December 31, 2022.

	September 30, 2023	December 31, 2022
Total assets	2,895,598	2,350,296
Non-current financial liabilities	336,745	368,617
Revenues	2,041,643	3,964,612
Loss from continued operations	(987,103)	(490,351)
Total loss for the period	(987,103)	(490,351)

Loss from continued operations per share – basic and diluted	(0.013)	(0.007)
Total loss per share – basic and diluted	(0.013)	(0.007)
Weighted average shares outstanding	78,235,171	75,098,143

2023 vs 2022

Total assets as at September 30, 2023 and December 31, 2022 were \$2,895,598 and \$2,350,296 respectively. The increase in total assets was primarily result of the increase in inventory of \$158,740, and accounts receivable of \$772,743, which was offset by the decrease in cash of \$471,112. The decrease in cash is a result of the Company using \$2,064,380 in net cash flows for operating activities, largely due to a change in non-cash operating working capital of \$437,895. This change in non-cash operating working capital is primarily due to an increase in accounts payable and accrued liabilities of \$312,363, increase in contract development cost of \$60,507 due to a number of new consulting projects ongoing and entered in the second quarter of this year.

Total non-current financial liabilities as at September 30, 2023 and December 31, 2022 were \$336,745 and \$368,617, respectively. The decrease in total non-current financial liabilities is a result of the reassignment of most Debenture liabilities from Long-term to Short-term based on maturity dates.

During the nine months ended September 30, 2023, the Company generated \$2,401,643 in sales revenue compared to sales of \$2,304,985 in the same period in 2022.

During the nine months ended September 30, 2023, the Company generated net loss of \$987,103 compared to a net loss of \$472,901 during the same period in 2022. The change is primarily a result of an increase in operational expenses, with the increase of new hires in 24% in 2023.

Summary of Quarterly Results

The following table provides selected quarterly unaudited financial data for the eight most recently completed interim quarters:

Three months ending:	Nine months ended							
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Revenue	1,314,302	201,724	525,617	1,659,627	1,139,014	676,819	489,152	1,874,003
Income (loss) for the period	57,053	(553,958)	(490,198)	(17,450)	181,362	(237,729)	(416,534)	(391,835)
Basic and diluted income (loss) per share	0.001	(0.007)	(0.006)	(0.0002)	(0.002)	(0.003)	(0.005)	(0.001)

Summary of Results During Prior Eight Quarters

The Company's revenue in the third quarter of 2023 was \$1,314,302 compared to \$1,139,014 in the same quarter of 2022. The increase in quarterly revenue comprises of an increase in offset revenue due to retirements and recognition from deferred revenue and increase in consulting revenue for completed projects that started in prior periods and were deferred.

Revenues from sales of offsets and consulting services can be variably dependent on seasonal demand from customers as well as dependent on when deferred revenues are recognized. The Company expects sales revenue to remain inconsistent on a quarterly basis.

Results of Operations – For the quarters ended September 30, 2023 and 2022

The results of operations for the nine months ended September 30, 2023 and 2022 are summarized below:

	Nine months ended September 30,	
	2023	2022
Revenue		
Sale of VERs	\$ 1,184,153	\$ 1,241,835
Consulting	857,490	1,063,149
	2,041,643	2,304,985
Cost of sales	(958,333)	(1,123,110)
Gross profit	1,083,310	1,181,875
Operating expenses	(1,992,539)	(1,588,510)
Loss before other items	(909,229)	(406,635)
Other income and (expenses)	(77,874)	(66,266)
Net loss for the year	(987,103)	(472,901)

The results of operations for the three months ended September 30, 2023 and 2022 are summarized below:

	Three months ended September 30,	
	2023	2022
Revenue		
Sale of VERs	\$ 762,295	\$ 569,797
Consulting	552,007	569,217
	1,314,302	1,139,014
Cost of sales	547,458	(440,840)
Gross profit	766,844	698,174
Operating expenses	(687,156)	(492,524)
Income (loss) before other items	79,688	205,650
Other income and (expenses)	(22,635)	(24,288)
Net income (loss) for the year	57,053	181,362

Revenue

Sale of VERs decreased by \$57,682 in 2023 compared to 2022. The Company is seeing an increase in demand for VERs as industry becomes increasingly interested in the climate space and the steady recovery of business after the Covid-19 business slow-down in 2020. However, the timing of revenue recognition of VER's depends on their retirement and this can make the amounts vary between quarters. In addition, the market has seen a steep rise in offset prices in the last year. Consulting revenue saw a decrease of \$205,659, mostly due to the timing of revenue recognition for the projects that were completed after September 30, 2023.

Cost of sales and gross profit

Cost of sales decreased by \$164,777 in the third quarter of 2023 compared to the same period of last year, compared to an increase in revenue of \$263,342 for the same periods. The gross profit margin increased from 51% in the third quarter of 2022 to 53% in the same period of 2023.

Operating expenses

During the quarter ended September 30, 2023 and 2022, operating expenses were \$1,992,539 and \$1,588,510, respectively. Significant changes in operating expenditures in 2023 vs 2022 are categorized in the table below:

Operating expenses	Nine months ended September 30, 2023 Increase (decrease) in expense	Comment
Salaries, management fees and benefits	420,872	24% increase in new hires plus benefits and salary increases in 2023.
Professional, Investor, Agent Fees	(24,316)	In 2022 there was a private issuance in February, increasing the costs with lawyers and other third parties in the period. The costs for 2023 private issuance will be reflected in Q4 2023, as it was approved in November.
Consulting Fees	13,570	Increase in third party consulting fees for new projects and lawyers' expenses with the change of office.
Other	(6,097)	Mostly due small savings in administrative expenses and exchange rate.
Total	\$ 211,780	

Other income and expenses

During the nine months ended September 30, 2023, other income and expenses resulted in a net other expense of \$77,874 compared to a net other expense of \$66,266 during the same period in 2022. Significant changes in other income and expenses in 2023 vs 2022 are categories in the table below:

Other income and expenses	Nine months ended September 30, 2023 Increase (decrease) in net other expense	Comment
Finance costs	6,583	Finance costs are made up of both accretion (15%) and interest (6% & 10%). Finance costs were higher in 2023 due to a higher interest rate on the new debenture (Debenture G), and its related accretion and accretion on new debenture H, issued in June 2023.
Other Income	7,139	Other income comprises of sub-rental income and other income not accounted under other categories. This variance represents the increase in 2023 rent charged by the company.
Other	(2,144)	Represents minor changes in provision estimate revision, interest income and expense and other income.
Total	\$ 11,608	

Liquidity and Capital Resources

The Company's operating, investing, and financing activities for the quarter ended September 30, 2023, resulted in a decrease in cash of \$471,112 (2022: decrease of \$58,541) from continuing operations.

As at September 30, 2023, the Company had an available cash balance of \$506,798 (December 31, 2022: \$977,910) to settle current liabilities of \$4,400,985 (December 31, 2022: \$2,836,708). The Company's current monetary assets of \$1,482,641 (consisting of cash and receivables) exceed its current monetary liabilities of \$1,173,134 (consisting of payables & accrued liabilities and short-term provisions) by \$309,507.

The Company's operating cash requirements are continuously monitored by management. As factors impacting cash requirements change, liquidity risks may necessitate the need for the Company to raise capital by issuing equity or obtaining debt financing.

On November 2nd, 2023, the Company raised \$1,250,000 through a private placement financing. The proceeds raised will be used by the Company for general working capital purposes.

The Company's current liabilities mature as follows:

1. Accounts payables and accrued liabilities of \$903,422 (December 31, 2022: \$591,059) with 20% overdue, some payables due within three months and some accruals due within 12 months. Payables sixty days past their invoice date are considered overdue.
2. Expected project maintenance, monitoring, and reporting of \$20,500 (December 31, 2022: \$20,500) have been delayed indefinitely.
3. Convertible debentures of \$539,302 are due within the next 12 months.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

While the Company has made great strides in dealing with liquidity issues, it can experience cash flow and working capital difficulties on a year-to-year basis. Such liquidity concerns are expected to continue until the Company is able to finalise some large unique revenue projects currently delayed by regulatory review by the California Air Resources Board, or until the Company is able to identify new revenue opportunities, either in the carbon or sustainable agro-forestry space. The Company is continually working to address the cash flow and working capital difficulties. The Company has been diligently working on addressing (i) diversification of its revenue streams and (ii) reducing or removing debt from its balance sheet. The Company will continue to (i) secure business or equity financing transactions which would improve its immediate financial and working capital position and (ii) repay remaining debt to its debtholders.

Related Party Transactions

Related parties and related party transactions are summarized below and include transactions with key management personnel of the Company.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

Key management	Position
Phi Cull	CEO, Director and Corporate Secretary
Paula Achilles	Interim CFO
Harry Assenmacher, Chairman	Director
Gary Bull	Director (appointed on January 21, 2021)
Guy O'loughnane	Director
Eduard Weber-Bemnet	Director
Alexander Zang	Director
Dirk Waltersbacher	Former Director (resigned on March 15, 2021)
James Tansey	Former Director (resigned on June 2, 2021)

Key management compensation

Remuneration attributable to key management is summarized as follows:

Nine months ended September 30,

	2023	2022
Salaries, management fees and benefits		
Phil Cull	\$ 138,462	\$ 137,388
Paula Achilles	70,769	-
	209,231	137,388
Total	209,231	137,388

Paula Achilles was appointed Interim CFO on February 6th, 2023, after Slavica Leporis resignation. The above compensation schedule reflects this date as the start of Interim CFO compensation.

Other related party transactions

During the nine months ended September 30, 2023 and 2022, other related party transactions consisted of the following:

	September 30, 2023	September 30, 2022
Sub-leasing of office space, included in other income	\$ 23,900	\$ 22,500

Related party balances

As at September 30, 2023, the Company had the following balances outstanding with related parties:

	September 30, 2023	December 31, 2022
Due to key management or companies related to key management, included in accounts payable and accrued liabilities	288,554	\$ 288,333
Due from key management, included in accounts and other receivables	-	(83)
Accrued interest on loan owed to Guy O'loughnane	1,998	-
Convertible debentures held by WBZ GmbH, a significant shareholder of the Company and controlled by directors Alexander Zang and Eduard Weber-Bemnet	500,784	516,475
Convertible debentures held by Guy O'loughnane, a Director of the Company	359,774	350,000

Accrued interest on convertible debenture held by WBZ GmbH	31,088	9,907
Accrued interest on convertible debentures held by Guy O'loughnane	4,196 \$	4,277

Except as disclosed above, the Company does not have any ongoing contractual or other commitments resulting from transactions with related parties.

Financial Risk Management

Fair Values

The Company's financial instruments are classified as follows. Unless otherwise disclosed their carrying values approximate their fair values due to the short-term nature of these instruments.

September 30, 2023	Amortized cost (financial assets)	Fair Value through Profit or Loss	Amortized cost (financial liabilities)
Financial assets			
Cash	\$ 506,798		
Accounts and other receivables	975,843		
Financial liabilities			
Loans			125,936
Accounts payable and accrued liabilities			903,422
Provisions			320,484
Convertible debentures			825,275
	\$ 1,482,641	-	2,175,117

The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

Level 1 — quoted prices in active markets for identical assets and liabilities.

Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

At September 30, 2023, the Company's cash is measured at fair value using Level 1 inputs.

a) *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. The Company's credit risk to its financial assets is summarized below:

		2023
Cash	\$	506,798
Accounts and other receivables		975,843
		\$ 1,482,641

Cash

The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Management assesses credit risk of cash as very low.

Accounts and other receivables

The majority of the Company's accounts receivables consists of amounts due from customers from completed sales. The Company monitors its accounts receivables through standard credit and reference checks.

b) *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As of September 30, 2023, the Company had a cash balance of \$506,798 to settle current liabilities of \$2,894,276.

Management is currently restructuring contracts in order to ensure sufficient liquidity for the rest of 2023 and onward.

The Company's operating cash requirements are continuously monitored by management. As factors impacting cash requirements change, liquidity risks may necessitate the need for the Company to raise capital by issuing equity or obtaining additional debt financing.

c) *Market Risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) *Foreign Currency Risk*

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign currency risk on the cash, accounts receivable, accounts payable and accrued liabilities balances denominated in US dollars and Euros. As at September 30, 2023, the Company had net monetary assets of \$230,766 held in US dollars and of €894 held in Euros. A fluctuation in the exchange rates between the Canadian and US dollar of 10% would result in \$30,553 change in the profit and loss of the Company. A fluctuation in the exchange rates between the Canadian dollar and Euro of 10% would result in \$129 change in the profit and loss of the Company.

Management maintains cash accounts denominated in US dollars to complete foreign currency and considers this practice adequate to mitigate significant foreign currency fluctuations for US dollar transactions.

In 2023, a significant proportion of the Company's sales commitments were in foreign currencies. The Company did not engage in hedging contracts to manage exposure to foreign exchange risk in 2022 or 2023 but may in the future.

(ii) *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 currently has cash balances, accounts receivable, other receivables and accounts payables and accrued liabilities that are not subject to interest rate risk due to their short-term to maturity. The Company does not rely on interest income from cash accounts or short-term loans to maintain operations. There is minimal interest rate risk on interest bearing debt, as the Company's convertible debentures and provisions are not subject to floating interest rates.

(iii) *Price Risk*

The Company's finished goods inventory may be exposed to price risk with respect to voluntary carbon credit prices. Carbon credit price risk is defined as the potential adverse impact on the Company's earnings due to movements in price for carbon offsets in the voluntary market. Most of the Company's inventory and VER production for 2023 is committed to customers under contract. Price risk at the present time is not material to the Company. If the Company were to carry inventory in the future beyond its sales requirements, the price risk to the Company relating to fluctuations in the price of carbon credits could be material.

Off-Balance Sheet Arrangements

None.

Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

As of September 30, 2023, the Company had 78,235,171 common shares issued and outstanding. In addition, it also has 15,383,460 warrants and 1,200,000 stock options outstanding.

Cautionary Note Regarding Forward Looking Statements

CERTAIN OF THE STATEMENTS AND INFORMATION IN THIS MD&A CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND “FORWARD-LOOKING INFORMATION” WITHIN THE MEANING OF APPLICABLE CANADIAN PROVINCIAL SECURITIES LAWS RELATING TO THE COMPANY AND ITS OPERATIONS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACT MAY BE FORWARD-LOOKING STATEMENTS. WHEN USED IN THIS MD&A THE WORDS “BELIEVES”, “EXPECTS”, “INTENDS”, “PLANS”, “FORECAST”, “OBJECTIVE”, “OUTLOOK”, “PROJECTED” “ANTICIPATED”, “BUDGET”, “LIKELY” AND SIMILAR WORDS OR EXPRESSIONS IDENTIFY FORWARD-LOOKING INFORMATION OR STATEMENTS. THESE FORWARD-LOOKING STATEMENTS OR INFORMATION RELATE TO, AMONG OTHER THINGS: WORKING CAPITAL, ACCESS TO FINANCING, THE ABILITY OF COUNTERPARTIES TO SALE OR PURCHASE CONTRACTS TO REMAIN GOING CONCERNS AND GREENHOUSE GAS EMISSIONS REGULATION IN THE UNITED STATES, CANADA, EUROPE OR OTHER JURISDICTIONS.

THESE STATEMENTS REFLECT THE COMPANY’S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE NECESSARILY BASED UPON A NUMBER OF ASSUMPTIONS AND ESTIMATES THAT ARE DISCLOSED IN THOSE PORTIONS OF THE MD&A DEALING WITH THEM AND, WHILE CONSIDERED REASONABLE BY THE COMPANY, ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, POLITICAL AND SOCIAL UNCERTAINTIES AND CONTINGENCIES. MANY FACTORS, KNOWN AND UNKNOWN, COULD CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM THE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT ARE OR MAY BE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS CONTAINED IN THIS MD&A AND THE COMPANY HAS MADE ASSUMPTIONS AND ESTIMATES BASED ON OR RELATED TO MANY OF THESE FACTORS. SUCH FACTORS MAY INCLUDE: THE ENVIRONMENT FOR BORROWING AND LENDING, POSSIBLE DOWNTURN IN BRITISH COLUMBIA’S RESOURCE ECONOMY, THE POSSIBLE RECESSION OF THE NORTH AMERICAN ECONOMY AND REDUCTION IN DEMAND FOR PRODUCTS AND SERVICES RELATED TO SUSTAINABILITY AND ENVIRONMENTAL PERFORMANCE, THE PERFORMANCE OF THE VENTURE MARKET FOR SECURITIES, WHETHER THE INTERNATIONAL COMMUNITY WILL RALLY AROUND REDD PROJECTS AS A WAY TO PROTECT ENDANGERED RAINFORESTS WITHIN THE MANAGEMENT OF CLIMATE CHANGE, THE STABILITY OF GOVERNMENT AND THE RULE OF LAW IN LESS DEVELOPED COUNTRIES, SPECIFICALLY THE DEMOCRATIC REPUBLIC OF THE CONGO, THE ABILITY OF THE COMPANY’S PROJECTS WITH RECURRING VERIFICATIONS TO RETAIN THEIR VALIDATION STATUS WITHIN THE SCOPE OF POTENTIAL CHANGES IN VOLUNTARY OR REGULATED STANDARDS OR GUIDANCE, AND POSSIBLE CHANGES IN GREENHOUSE GAS EMISSIONS REGULATION IN THE UNITED STATES, CANADA, EUROPE OR OTHER JURISDICTIONS.