Green Impact Partners

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2024 and 2023

May 15, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2024 and 2023 is prepared as of May 15, 2024 and provides information concerning the financial condition and results of operations of Green Impact Partners Inc. ("GIP" or the "Company"). This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements as at and for the three months ended March 31, 2024 and 2023 and the Company's audited consolidated financial statements as at and for the years ended December 31, 2023 and 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements and additional information relating to GIP are available on SEDAR+ at www.sedarplus.ca. The Company's shares are listed for trading on the TSX Venture Exchange under the symbol "GIP".

Unless otherwise indicated, all dollar amounts presented herein are in thousands of Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" and "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Certain information and statements contained in this MD&A constitute forward-looking statements, including: the Company's plans, prospects and opportunities; expectations regarding future revenue, EBITDA and generation of free cash flow; the anticipated production, inputs, carbon capture, performance, capital expenditures and methods of operations in relation to the Company's projects, including its relationships with current and potential future joint venture partners; the expected timing of project construction, milestones and operations; the timing of regulatory approval in respect of Carbon Intensity ("CI") certifications of the GreenGas Colorado Joint Venture (the "Colorado JV"); anticipated timing of the second site of the Colorado JV to commence selling has commercially in late May or early June; the timing of and ability to secure various regulatory approvals from the Government of Alberta and municipal permits from the City of Calgary for the Future Energy Park project (the "Future Energy Park"); the expected capital structure and organization of the Future Energy Park; the costs associated with the Company's projects and funding of such costs, including the potential divestiture of a minority interest in one or more of the Company's projects; investment by Amber Infrastructure Group ("Amber Infrastructure"); the anticipated costs associated with capital spending, expectations for the Company's future operations, including the generation of free cash flow and increases in share-based compensation; expectations in respect of Investment Tax Credits ("ITC"), Production Tax Credits ("PTC") and the potential benefits thereof to the Company; timing (if at all) of funding of the deferred consideration by Amber Infrastructure upon the sale of the Colorado JV ITCs ("Deferred Consideration"); anticipated developments in respect of the Clean Fuel Regulations ("CFR"); potential benefits in respect to the Alberta Technology Innovation and Emissions Reduction Regulation ("AB TIER"); and the potential benefits on the value of the Company's portfolio; expectations concerning the nature and timing of additional growth opportunities and the benefits thereof; additional partnership opportunities involving the Company's New Zealand-based energy company; expectations respecting competitive position; anticipated supply and demand for the Company's products and services; expectations concerning the financing of future business activities; the expected benefits of entering into financial hedging contracts; anticipated acquisitions and divestitures; the anticipated carbon impacts associated with the Company's projects and statements as to future economic and operating conditions. Readers should review the cautionary statement respecting forward-looking statements that appears below.

The information and statements contained in this MD&A that are not historical facts are forward-looking statements. Forward-looking statements (often, but not always, identified by the use of words such as "seek", "plan", "continue", "estimate", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "expect", "may", "anticipate" or "will" and similar expressions) may include plans, expectations, opinions, or guidance that are not statements of fact. Forward-looking statements are based

upon the opinions, expectations and estimates of management as at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements.

Forward-looking information concerning the nature and timing of growth is based on the current budget of the Company (which is subject to change), factors that affected the historical growth of the Company, including sources of historic growth opportunities, in addition to our ability to successfully complete our projects and negotiate contracts, expectations relating to future economic, regulatory and operating conditions and adequate access to funding for our projects and ongoing operations. Forward-looking statements concerning the current and future competitive position of the Company's business and partnership relationships is based upon the current competitive environment in which the Company operates, management expectations relating to future economic and operating conditions, current and announced build programs, and the expansion plans of other organizations. Forward-looking statements concerning the financing of future business activities is based upon the financing sources on which the Company and its predecessors have historically relied, prospects for obtaining potentially new financing sources, and expectations relating to future economic and operating conditions, including interest rates, supply chains, global supply and demand, energy and commodity prices. Forward-looking statements concerning future economic and operating conditions is based upon historical economic and operating conditions, as well as opinions of third-party analysts reflecting anticipated economic and operating conditions. Although management of the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Accordingly, readers should not place undue reliance upon any of the forward-looking statements set out in this MD&A.

All the forward-looking statements of the Company contained in this MD&A are expressly qualified, in their entirety, by this cautionary statement. Except as required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This MD&A contains certain financial measures that do not have any standardized meaning prescribed by IFRS. Therefore, these financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned these measures should not be construed as an alternative to net and comprehensive income or to cash from (used in) operating, investing, and financing activities determined in accordance with IFRS, as indicators of our performance. We use non-IFRS measures, including EBITDA and Adjusted EBITDA, to assist investors in determining our ability to generate income and cash provided by operating activities and to provide additional information on how these cash resources are used. Non-IFRS measures are further discussed in the *Non-IFRS Measures* section of this MD&A.

BUSINESS OVERVIEW

Our Business

GIP, publicly traded on the TSX Venture Exchange ("TSXV"), is focused on acquiring, developing, building, and operating renewable natural gas ("RNG") and clean bio-energy projects. The Company participates in a wide range of low-carbon opportunities during all stages of the project lifecycle – from idea generation through to operations ("Clean Energy Production"). Moreover, alongside its primary focus, GIP possesses a network of assets located throughout western Canada and the Unites States that comprises facilities for processing and disposing of wastewater and hydrocarbons, industrial landfill and recycling facilities, oil and water gathering pipelines, and oil terminals for blending and sales ("Water & Solids Recycling & Energy Product Optimization").

The Company reports operating results for the following reportable segments:

- **Water & Solids Recycling & Energy Product Optimization** – The Water & Solids Recycling & Energy Product Optimization segment is currently comprised of operational and cash flowing assets in Canada and the United States that provide services to safely recycle and/or dispose of water and solids waste from third party operations as well as optimizing, safely transporting, and marketing the associated oil products.

- **Clean Energy Production** – The Clean Energy Production segment includes clean energy projects under construction, development, and pre-development located in Canada, the United States and New Zealand. The current portfolio of clean energy projects within this operating segment includes RNG, biofuel and hydrogen distribution projects that as of March 31, 2024 are either not yet operational, or have not yet achieved material production, and, as such, have no associated revenue.

Operations

A portion of the revenue and gross margin from the water and solids treatment and recycling services at the Company's facilities is executed on a fee-for-service basis. Each of these facilities provides water and waste treatment and recycling services to multiple customers, including a mix of municipalities, governments, utilities, infrastructure, industrial, mining and energy companies in North America, depending upon the activities within the geographic region. The services are provided through area dedication agreements and state contracts, versus volume-based commitments. Revenue and gross margin are also derived through energy product optimization which involves blending, transporting and marketing oil that is primarily acquired from third-party producers or generated as a by-product of the waste products that are processed at the Company's facilities.

Q1 2024 Highlights

Key highlights and accomplishments for first quarter of 2024 and as of the date of this MD&A include:

Colorado JV Continues to Ramp up Production: After working through some operational optimization activities during Q1 2024, the first site of the Colorado JV is consistently producing and selling gas commercially near targeted production, and the second site is currently producing gas and expected to commence selling gas commercially in late May or June 2024 as the local utility continues to work through their technical issues with accepting gas production into the pipeline system.

Additional Insider Investment: The Company has entered into an option agreement with certain directors (the "Option Agreement") to provide access to, at the Company's sole discretion, $10.0 million of capital to provide additional liquidity to the Company as it continues to progress its clean energy production development portfolio.

Project Construction and Development Updates

Colorado Joint Venture

The Colorado JV continues to progress toward full commercial operations after experiencing start-up delays that were described in the Company's annual MD&A for the years ended December 31, 2023 and 2022 dated April 28, 2024 ("Annual MD&A"). These challenges were resolved in early 2024 and the project has ramped up production since but continues to work through operational optimization activities. As of the date of this MD&A, the first site has been consistently producing and selling gas commercially nearly at nameplate capacity with the second site currently producing gas and expected to commence selling gas commercially in late May or June 2024 as the local utility continues to work through their technical issues with accepting gas production into the pipeline system.

The Colorado JV anticipates pursuing a temporary Carbon Intensity ("CI") score under the CARB LCFS to commence monetizing its environmental credits in the second half of 2024 based on a program temporary CI score of -150, with the final certification approval expected in late 2025 or early 2026 with a projected CI score of -189.

There have been no changes to the future production guidance and equivalent EBITDA[1] projections for the Colorado JV from those provided in the Annual MD&A.

The Colorado JV continues to progress through the closing conditions to sell its ITCs. Upon sale of the ITCs, the Colorado JV is expected to receive between $26.9 million (US $20.4 million) and $33.9 million (US $25.6 million) in gross proceeds. Pursuant to the terms of the Colorado JV project debt facility ("Colorado JV Debt Facility"), $7.9 million (US $6.0 million) of the ITC proceeds will be used to fund the debt service reserve account. Upon maturity of the Colorado JV Debt Facility, these additional debt service reserve funds, if any, will be released to GIP.

After transaction costs and net of receipt of the Deferred Consideration from Amber Infrastructure as previously disclosed, GIP anticipates receiving net proceeds between $16.2 million (US $12.3 million) and $21.8 million (US $16.5 million) upon closing of the ITC sale.

As a result of the delayed start-up, the Company anticipates there is likely to be a requirement under the joint venture agreement to fund a working capital deficiency of the Colorado JV prior to June 30, 2024. In addition, in the event the ITC transaction does not close prior to June 30, 2024, the Colorado JV will likely require a capital contribution from both its members to fund the debt service reserve account pursuant to the Colorado JV Debt Facility. While the Company expects to close the ITC transaction in the coming weeks, if closing is delayed beyond June 30, 2024, then the Colorado JV members may be required to fund additional capital. Please refer to "*Risks and Uncertainties*" later in this MD&A and in the Annual MD&A for further discussion on the potential impact.

Future Energy Park

The Company continues to advance the debt and equity financing for its large-scale bio-fuels facility in Calgary, Alberta. The status of these financing efforts along with the status of all permits and material contracts including feedstock, offtake, engineering, procurement and construction and CO_2 sequestration remain unchanged from what was described in the Annual MD&A. In addition, there have been no changes to the guidance provided in the Annual MD&A related to expected capital costs, projected EBITDA, construction timing, and the status and quantum of the various tax credits and government incentive programs potentially available to the project.

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[1] This is a non-IFRS financial measure. See the "Summary of Non-IFRS Measures" section. Equivalent EBITDA represents Income from Operations, before depreciation and amortization that is recognized and presented as part of the Company's investment in joint ventures on the consolidated statement of income (loss) and comprehensive income (loss) given that the equity method is utilized.

In Q1 2024, the Company incurred approximately $1.6 million in costs (out of a total of approximately $34 million spent to date) to further advance the Future Energy Park, with approximately $4.4 million expected to be spent to advance the project to financial close and commencement of construction.

Iowa RNG Project

Consistent with the project update provided in the Company's Annual MD&A, GIP remains in discussions on a strategic, fixed price, long term offtake agreement for the Iowa RNG project ("Iowa RNG"). To proceed to final investment decision, Iowa RNG requires a long-term offtake agreement with terms that support appropriate project-level returns. A total of $0.2 million was incurred in Q1 2024 related to Iowa RNG with, subject to a final investment decision, an additional development funding requirement of approximately $1.8 million to advance the project to financial close and commencement of construction.

New Zealand Green Hydrogen

The description and status of the Company's green hydrogen opportunity in New Zealand as provided in the Annual MD&A remains materially consistent. There has been no additional spending in the first quarter of 2024 and Company continues to closely monitor its investment.

Material Policy Developments

There have been no additional developments with respect to the various tax credits and other incentive programs available to renewable energy projects from those described in the Annual MD&A and the Company continues to view the programs outlined as having the potential to make a material positive impact on the Company's projects in Canada and the United States.

FINANCIAL HIGHLIGHTS

($000) *As at and for the three months ended*	March 31 2024	March 31 2023
Revenue	33,322	38,498
Gross margin	1,306	1,116
Income (Loss) from operations	(2,213)	(1,789)
Net income (loss)	(5,345)	4,492
Comprehensive income (loss)	(4,725)	4,727
Funds from (used in) operations	(740)	(3,128)
Cash from (used in) operations	(255)	633
Purchase of property, plant and equipment	(1,597)	(8,113)
Total assets	191,775	182,108
Total liabilities	78,805	75,171

RESULTS OF OPERATIONS

Revenue

	For The Three Months Ended		
	March 31, 2024	March 31, 2023	Change
($000)			
Energy product optimization	28,292	33,848	(5,556)
Fee for service – Water treatment and disposal	2,923	2,433	490
Fee for service – Solids disposal and recycling	2,107	2,217	(110)
Total Revenue	**33,322**	**38,498**	**(5,176)**
Revenue Volumes:			
Energy product optimization (m3)	53,203	59,558	(6,355)
Fee for service – Water treatment and disposal (m3)	142,190	113,050	29,140
Fee for service – Solids disposal and recycling (tonnes)	24,264	11,985	12,279

Direct Costs

	For The Three Months Ended		
	March 31, 2024	March 31, 2023	Change ($)
($000)			
Energy product optimization	27,402	33,146	(5,744)
Fee for service	4,614	4,236	378
Total Direct Costs	**32,016**	**37,382**	**(5,366)**

Gross Profit

	For The Three Months Ended		
	March 31, 2024	March 31, 2023	Change ($)
($000)			
Energy product optimization	890	702	188
	3.1%	*2.1%*	*1.0%*
Fee for service	416	414	2
	8.3%	*8.9%*	*-0.6%*
Total Gross Profit	**$ 1,306**	**$ 1,116**	**$ 190**
	3.9%	*2.9%*	*1.0%*

Revenue decreased by $5.2 million or 13% for the three months ended March 31, 2024, compared to the same period in 2023. The decrease was due to the Company's Energy Product Optimization Services revenue, which declined by over 16% due to a combination of an 11% reduction in volumes sold and a 5% decrease in oil prices period over period. The volume decrease was a result of sales in March of 2024 being below average resulting in increased inventory for Q1 2024, as opposed to a smaller inventory balance in the same period of 2023.

Fee for service revenue for the three months ended March 31, 2024, increased by $0.4 million or 8%, as compared to the same period in 2023. The increase in water treatment and disposal services revenue of 20% was mostly a result of a corresponding 26% increase in volumes handled and processed. Fee for service solids disposal and recycling revenue declined by 5% despite a 102% increase in volumes handled. This is due to the composition of the changes between the Company's two solids disposal and recycling sites where one of the sites with the lower revenue per unit experienced a 116% increase in volumes. However, 23% of solids revenue is attributable to this facility while it comprises 96% of the overall volume for the segment. Therefore, the impact of this volume increase did not result in a corresponding increase to revenue. Meanwhile, the other solids disposal and recycling site, which accounts for 77% of the solids revenue with only 4% of the overall volume contribution, experienced a 19% decrease in volume and revenue over the same period due mostly to timing. Each site processes different materials and therefore have different underlying pricing for their services.

Direct costs decreased by $5.4 million or 14% for the three months ended March 31, 2024, compared to the same period in 2023. The majority of this 14% reduction resulted from Energy Product Optimization Services for the same reasons discussed in the revenue commentary above, with the volume processed decreasing 11% coupled with 5% lower prices for oil acquired from producers to be optimized, shipped and sold. Other direct costs on the fee for service side, such as utilities, were abnormally high in Q1 2023, resulting in lower comparative operating costs for the first three months of 2024. However, this positive trend was more than offset by a disposal well workover required during the first quarter of 2024 at the Company's Grande Cache facility. This workover amounted to approximately $0.7 million and was all recorded within direct costs for the three months ended March 31, 2024. The workover was completed, and the well was put back into full operation in January 2024.

Gross profit for the three months ended March 31, 2024, are consistent as compared to the same period in 2023, with a slightly higher gross profit percentage in the Energy Product Optimization Services as the Company continues to focus on margin optimization. However, despite being relatively consistent between

the three months ended March 31, 2024, and the corresponding three months of 2023, fee for service gross margins have steadily improved since early 2023, with the prior two quarters being 24.9% and 25.2%, respectively, which is a more expected range of fee for service margins. Excluding the $0.7 million extraordinary well workover discussed above, gross margins for the three months ended March 31, 2024 would have been closer to 22% and therefore more consistent with recent results and expectations.

Operating Expenses

	For The Three Months Ended		
($000)	March 31, 2024	March 31, 2023	$ Change
Depreciation and amortization	1,488	1,264	224
Salaries and wages	1,031	806	225
Selling, general and administration	1,000	835	165
Total Operating Expenses	**3,519**	**2,905**	**614**

Operating expenses for the three months ended March 31, 2024, increased by $0.6 million or 21% as compared to the same period in the prior year.

Depreciation and amortization for the three months ended March 31, 2024 was $0.2 million or 18% higher when compared to the same period in 2023. This is due to additional leases added in the first quarter 2024, which have increased the overall property, plant, and equipment base subject to depreciation.

Salaries and wages for the three months ended March 31, 2024, increased by $0.2 million or 28% compared to the same period in 2023. This increase is a direct result of increases in staffing levels over the past year as the Company continues to scale its team but the full impact of this was partially offset by bonuses paid in the first quarter of 2023 with no similar bonus payment in the first quarter of 2024.

Selling, general and administrative expenses, including the following items: rental costs; vehicle costs; insurance expenses; office costs; advertising and promotion; and professional and consulting fees, increased by $0.2 million or 20% for the three months ended March 31, 2024, compared to the same period in 2023. This increase was due to the overall growth of the Company in the past year. Additional legal, consulting, insurance, training, travel, and other costs were incurred to support overall organizational growth.

Non-Operating Expenses (Income)

	For The Three Months Ended		
($000)	March 31, 2024	March 31, 2023	$ Change
Finance costs	691	610	81
Unrealized (gain) loss on risk management contracts	-	(555)	555
Share-based compensation	905	1,351	(446)
Equity (earnings) loss from joint venture	1,669	553	1,116
Gain on sale of interest in subsidiary	-	(10,142)	10,142
Unrealized (gain) loss on foreign exchange	(235)	-	(235)
Realized (gain) loss on foreign exchange	15	2	13
Total Non-operating Expenses (Income)	**3,045**	**(8,181)**	**11,226**

Finance Costs

Finance costs for the three months ended March 31, 2024, were comprised of a combination of interest on long-term debt, accretion expense on the asset retirement obligation liability and the amortization of deferred financing costs. The increase of $0.1 million for the three months ended March 31, 2024 as compared to the same period in the prior year was a direct result of the levels of interest-bearing debt in the associated reporting periods. For the three months ended March 31, 2024, the majority of finance costs

were associated with the Company's corporate credit facility which increased to a drawn balance of $29.2 million at March 31, 2024, compared to a drawn balance of $27.7 million at March 31, 2023.

Share-based Compensation

Share-based compensation decreased by $0.4 million for the three months ended March 31, 2024, compared to the same period in 2023. This decrease is directly correlated to the graded vesting method used for restricted share units and performance share units. In the three months ended March 31, 2024, there was only one tranche of the restricted share units issued on December 20, 2021 remaining to vest, as opposed to two tranches in the same period of 2023. Similarly, in the three months ended March 31, 2024, there was only two remaining tranches of the performance share units issued on February 24, 2023, to vest, as opposed to three in the same period of 2023.

Unrealized Loss on Risk Management Contracts

The unrealized loss on risk management contracts relates to a fixed-price interest rate swap that was entered into in 2022 by a previously consolidated subsidiary of the Company, GreenGas Colorado LLC. The Company has not applied hedge accounting to account for this financial instrument and, therefore, the swap is marked to market each reporting period with any unrealized gains and losses being recognized in earnings or losses. As outlined in the previously mentioned updates on the Colorado JV, the Company disposed of 50% of the Colorado JV in the first quarter of 2023 and now jointly controls the entity with another partner and no longer exercises control. Consequently, the entity is no longer consolidated within the Company's consolidated financial statements. As a result, the realized and unrealized gains and losses associated with the swap are now recognized through the equity (earnings) loss from joint venture in the statement of operations.

Equity (Earnings) Loss From Joint Venture

As previously discussed, effective on the close date of the sale of the 50% interest in the Colorado JV, the Company no longer controlled the entity but is rather in a joint control arrangement with another partner. Consequently, the assets, liabilities and results of operations are no longer presented within the consolidated results of the Company. The equity loss (earning) from the JV increased by $1.1 million or 202% due to the fact that in the first quarter of March 31, 2023, the transaction did not occur until the end of February, therefore there was only one month of equity loss (earnings) recognized for the quarter, compared to March 31, 2024, which included all three months. Compounding this impact is that the Colorado JV was operational in Q1 2024 as opposed to still under construction in Q1 2023. The Colorado JV incurred operating costs for the three months ended March 31, 2024 and, as explained earlier in this MD&A, no revenue has been recognized to date to offset these operating costs due to delays in the CARB certification process.

SUMMARY OF NON-IFRS MEASURES

This MD&A contains certain financial measures that do not have any standardized meaning prescribed by IFRS. Therefore, these financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned these measures should not be construed as an alternative to net and comprehensive income or to cash from (used in) operating, investing, and financing activities determined in accordance with IFRS, as indicators of our performance. We use non-IFRS measures, including EBITDA and Adjusted EBITDA, to assist investors in determining our ability to generate income and cash provided by operating activities and to provide additional information on how these cash resources are used.

Below is a description and composition of each non-IFRS measure disclosed in this MD&A , together with: (i) the most directly comparable financial measure that is specified, defined and determined in accordance with IFRS to which each non-IFRS measure relates; (ii) an explanation of how each non-IFRS measure provides useful information to investors and the additional purposes for which management uses each non-IFRS measure; and (iii) a quantitative reconciliation of each non-IFRS measure to the most directly comparable IFRS financial measure.

EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. EBITDA is a non-IFRS measure, calculated by adding back the impacts of income tax, finance costs, depreciation and amortization to net income (loss) for the period. Income (loss) from Operations before amortization and depreciation is the most directly comparable IFRS financial measure. EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures provided by other issuers. Management believes EBITDA is an important performance metric that measures recurring cash flows before changes in non-cash working capital.

Adjusted EBITDA is defined as EBITDA adjusted for certain non-operating, non-recurring and non-cash items. Adjusted EBITDA is used by management to evaluate the earnings and performance of the Company before consideration of capital, financing and tax structures. Net income (loss) is the most directly comparable IFRS financial measure. Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures provided by other issuers. Prior period Adjusted EBITDA has been calculated and presented in accordance with the current period calculation and presentation.

Management believes that in addition to net income (loss), Adjusted EBITDA is a useful supplemental measure to enhance investors' understanding of the results generated by the Company's principal business activities prior to consideration of how those activities are financed, how the results are taxed, how the results are impacted by non-cash charges, and charges that are irregular in nature or not reflective of the Company's core operations. Management calculates these adjustments consistently from period to period. Adjusted EBITDA is used by management to determine the Company's ability to service debt and finance capital expenditures. Management believes that Adjusted EBITDA as a measure is indicative of how the fundamental business is performing.

	For The Three Months Ended		
($000)	**March 31, 2024**	**March 31, 2023**	**$ Change**
Net income (loss)	(5,345)	4,492	(9,837)
Income tax expense (recovery)	87	1,900	(1,813)
Depreciation and amortization	1,488	1,264	224
Finance costs	691	610	81
EBITDA	**(3,079)**	**8,266**	**(11,345)**
Share-based compensation	905	1,351	(446)
Adjusted loss from joint venture [1]	754	551	203
Unrealized gain on risk management contracts	-	(555)	555
Gain on sale of interest in subsidiary	-	(10,142)	10,142
Adjusted EBITDA	**(1,420)**	**(529)**	**(891)**

Notes:

(1) Adjusted loss from joint venture, reflects the adjusted EBITDA at the joint venture level at the Company's 50% ownership. This includes adjustments for interest expense, interest rate swaps, depreciation, and other finance costs.

(2) To ensure consistency, the prior period Adjusted EBTIDA has been amended from previously presented Adjusted EBITDA to adjust for the Company's portion of the Colorado JV's interest expense, interest rate swaps, depreciation and other finance costs.

SUMMARY OF QUARTERLY RESULTS

($000)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Revenue	33,322	37,390	46,141	39,132
Adjusted EBITDA	(1,420)	(207)	875	(348)
Net income (loss)	(5,345)	(5,066)	(1,986)	3,853
Net income (loss) per share-Basic	*(0.25)*	*(0.25)*	*(0.09)*	*0.19*
Net income (loss) per share-Diluted	*(0.25)*	*(0.24)*	*(0.09)*	*0.18*
($000)	**Mar 31, 2023**	**Dec 31, 2022**	**Sep 30, 2022**	**Jun 30, 2022**
Revenue	38,498	44,719	55,347	68,885
Adjusted EBITDA	(529)	550	(169)	(712)
Net income (loss)	4,492	(5,124)	(223)	(3,485)
Net income (loss) per share-Basic	*0.22*	*(0.25)*	*(0.01)*	*(0.17)*
Net income (loss) per share-Diluted	*0.22*	*(0.25)*	*(0.01)*	*(0.17)*

The variation of Adjusted EBITDA over the trailing eight quarters is highly dependent on commodity pricing volatility. The Company's energy product optimization services revenue is generated through the sale of hydrocarbon products which have been blended with an additive that improves the quality of the finished product that is sold to third parties for a profit. The input cost of the additive is in large part a fixed cost and therefore any fluctuations in the price of the blended product sold impacts gross profit realized. As such, this purchase and sale arrangement is subject to commodity pricing volatility. Net income for the first quarter of 2023 was abnormally high due to the gain on sale of the Colorado JV. Net income for the second quarter of 2023 was also abnormally high due to the one-time management fee earned in the quarter. The third quarter 2023 results were more in line with expectations. The fourth quarter net loss is abnormally high due to the derecognition of $4.6 million in previously recognized deferred tax assets. In addition, an impairment loss resulted in an abnormally large net loss for the fourth quarter of 2022. Net income for the first quarter of 2024 was lower than previous quarters due to a combination of the loss realized for the investment in the Colorado JV along with the previously discussed well workover in Grande Cache. Adjusted EBITDA for the first quarter of 2024 was again mostly impacted by the loss realized from the Colorado JV and the well workover. General economic and industry conditions have not substantially changed from the prior quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company expects to generate sufficient cash flows from operations, in the short term and long term, to meet all maintenance capital expenditures in connection with the Water and Solids Treatment and Recycling facilities. Due to the Company's focus on maintaining efficient operations, the Company expects to generate free cash flow from operations, net of maintenance capital expenditures, on an annual basis.

In order to continue to advance the Future Energy Park, the Company anticipates spending an additional $4.4 million from the end of the first quarter to progress to financial close and construction start. The pace of this discretionary spend will depend on both accomplishment of key project milestones and available capital. To the extent executed, these activities are anticipated to be funded through a combination of available funds from the Company's corporate credit facility and other potential sources of capital including the $10 million Option Agreement, outlined in the related party section of this MD&A, and net proceeds from the expected sale of the Colorado JV ITCs, including the Deferred Consideration. As at the date of this MD&A, $3.5 million of the Option Agreement has been drawn with $6.5 million available.

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. As a result of a delay in the sale of the Colorado JV ITCs, the Company's current level of working capital, including undrawn available credit facilities, and cash flow from operations may not be sufficient to advance all of its current objectives within the contemplated timeframes. The Company has control over additional capital spending to advance projects and monitors its liquidity position to determine available funds.

Prior to incurring material construction costs for the Future Energy Park, GIP will need to secure adequate sources of financing that enables the Company to achieve its internal economic hurdles.

GIP is required to maintain certain financial covenants associated with its corporate credit facility, which includes maintaining a debt to tangible net worth of less than 3.00:1.00 and cash flow coverage ratio for GIP's main operating subsidiary ("GIP Opco") of greater than 1.25:1:00. GIP Opco represents the consolidated results of GIP's main operating subsidiaries that hold ownership in the Water and Solids Treatment business and the Colorado JV. As at March 31, 2024, GIP was in compliance with all debt covenants.

The Company manages its liquidity risk through the management of its capital structure and working capital, and monitoring and reviewing actual and forecasted cash flows to ensure there are available cash resources to meet the Company's liquidity needs. The Company's cash, cash equivalents and cash flow from operating activities are expected to be greater than anticipated near-term capital expenditures, excluding discretionary spend, and the contractual maturities of the Company's financial liabilities.

	For The Three Months Ended		
($000)	March 31, 2024	March 31, 2023	$ Change
Cash from (used in) operating activities	(255)	633	(888)
Cash (used in) investing activities	(2,358)	(2,076)	(282)
Cash from (used in) financing activities	2,891	(268)	3,159
Impact of foreign currency translation on cash	86	14	72
Increase (decrease) in cash	**364**	**(1,697)**	**2,061**

Operating Activities

Cash from operating activities for the three months ended March 31, 2024, decreased by $0.9 over the three months ended March 31, 2023. This decline is mostly a result of the well workover completed in January 2024 discussed combined with an increase in salaries and wages and selling, general and administration costs, both as previously discussed.

Investing Activities

Cash used in investing activities for the three months ended March 31, 2024, increased by $0.3 million over the three months ended March 31, 2023. Despite $6.5 million less spending for the three months ended March 31, 2024 as compared to the same period of 2023, this additional spend in Q1 2023 was almost entirely offset by the proceeds from the sale of the 50% of the Colorado JV, net of the cost of acquiring the previous non-controlling interest of the JV prior to the sale.

Financing Activities

Cash from financing activities for the three months ended March 31, 2024, increased by $3.2 million over the three months ended March 31, 2023. The increase was primarily a result of the $3.0 million in funding under the Option Agreement. Furthermore, in the first quarter of 2023, the proceeds from the sale of the interest in the Colorado JV were used to pay down the corporate credit facility and fund capital expenditures.

($000)	**March 31, 2024**	**December 31, 2023**	**$ Change**
Current assets	25,216	21,059	4,157
Current liabilities	34,673	28,066	6,607
Working capital surplus (deficit) [(1)]	**(9,457)**	**(7,007)**	**(2,450)**

[1]The working capital above includes the current and demand portions of long-term debt of approximately $0.3 million at March 31, 2024. ($0.3 million as at March 31, 2023).

Current liabilities include $8.6 million related to liabilities associated with the Future Energy Park and Iowa RNG that only become due and payable upon Final Notice to Proceed ("FNTP"). FNTP will not occur until

adequate financing is in place to fund construction of the projects and settle these liabilities. These have been classified as current liabilities as the Company has assessed that financing will likely be secured and FNTP is expected to occur within the next year. Current liabilities also include $2.9 million related to drawn proceeds from the Option Agreement. There are no required repurchases under the Option Agreement until certain events are met such as the financial close and FNTP on the Future Energy Park or Iowa RNG. Excluding these liabilities, the Company has an adjusted working capital surplus of $2.0 million. As at March 31, 2024, there is an undrawn balance of approximately $0.9 million from the corporate credit facility and $3.1 million available to be drawn pursuant to the Option Agreement. . This combined with the adjusted working capital surplus provides approximately $6.0 million available before future cash flow from operations.

The following are undiscounted contractual maturities of financial liabilities, including estimated interest at March 31, 2024:

($000)	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
AP and accrued liabilities	**22,731**	22,731	-	-	-
Other current liabilities	**11,923**	11,923	-	-	-
Long-term debt	**30,107**	375	29,732	-	-
Other long-term liabilities	**2,030**	-	2,030	-	-
Lease liabilities	**1,008**	450	501	57	-
Total financial liabilities	**67,799**	**35,479**	**32,263**	**57**	**-**

Capital Management and Resources

The Company's objectives when managing capital are to: (i) monitor forecasted and actual cash flows from operating, financing and investing activities; (ii) ensure the Company has the financial capacity to execute on its strategy to increase market share through organic growth or strategic acquisitions; (iii) maintain financial flexibility in order to meet its financial commitments and maintain the confidence of shareholders, creditors and the market; and (iv) optimize the use of capital to provide an appropriate return on investment to shareholders.

The Company's overall capital management strategy remained unchanged in 2024 compared to the prior year. The Company has established criteria for sound financial management and manages the capital structure based on current economic conditions, risk characteristics of underlying assets and planned capital and liquidity requirements. Total capitalization is maintained or adjusted by drawing on existing credit facilities, entering into strategic partnerships, issuing new debt and through the disposal of underperforming assets, when required. Management considers the Company's current assets less current liabilities, long-term debt and shareholders' equity as the components of capital to be managed.

($000)	March 31, 2024	December 31, 2023
Current assets	25,216	21,059
Current liabilities	(34,673)	(28,066)
Long-term debt	29,732	28,945
Other long-term liabilities	2,030	2,001
Shareholders' equity	99,372	103,182
	121,677	**127,121**

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's revenues come from a diverse customer base, which includes municipalities, governments, utilities, infrastructure, industrial, energy and mining industries in North America. The Company believes there is no unusual exposure associated with the collection of accounts receivable outside of the normal

risk associated with contract audits and normal trade terms. The Company performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

The Company is primarily exposed to credit risk from customers. The maximum exposure to credit risk is equal to the carrying value of the accounts receivable and notes receivable. The Company's trade receivables are with customers in the industrial sector and are subject to industry credit risk. To reduce credit risk, the Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

Additionally, the Company continuously reviews individual customer trade receivables taking into consideration payment history and aging of the trade receivables to monitor collectability. In accordance with IFRS 9 – Financial Instruments, the Company reviews impairment of its trade and accrued receivables at each reporting period and its allowance for expected future credit losses. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends, and other information. Monitoring procedures are in place to ensure that follow up action is taken to recover overdue amounts. The Company reviews receivables on a regular basis to ensure that an adequate loss allowance is made. Provisions recorded by the Company are reviewed regularly to determine if any balances should be written off. The allowance for doubtful accounts could materially change as a result of fluctuations in the financial position of the Company's customers. The Company completes a detailed review of its historical credit losses as part of its impairment assessment.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements in the current or prior periods.

RELATED PARTY TRANSACTIONS

Option Agreement

On March 7, 2024, the Company, as a result of a delay in closing the Colorado JV ITC sale, entered into an agreement (the "Option Agreement") with various directors of the Company (the "Optionees"), wherein the Optionees agreed to fund an amount of up to $6.0 million to GIP, available in tranches, at GIP's sole discretion, to provide additional liquidity to GIP. Subsequent to quarter end, on April 28, 2023 the Company entered into an amendment to the Option Agreement whereby one of the Optionees has agreed to fund to the Company an additional $4.0 million (the "Additional Option").

In exchange, the Company has granted the Optionees an option to purchase certain ITCs that the Company may receive from future renewable natural gas projects (excluding the Colorado JV) (the "Option"). Pursuant to the Option Agreement, the Optionees shall have the right, for a period of five years, to purchase the ITCs from the Company. During the term of the Option Agreement, the Company may, at its sole option, repurchase the Option from the Optionees by paying all amounts previously funded to the Company by the Optionees along with interest accrued at a rate of 1.25% per month and additional commitment fees on the Additional Option of 10% per annum. There are certain circumstances that oblige the Company to repurchase the Option from the Optionees including change in control or financial close on either Iowa RNG or the Future Energy Park.

	March 31, 2024
Proceeds from related party option agreement	2,950
Interest accrued	24
Total (included in other current liabilities)	**2,974**

The Option is classified as a financial liability that is measured at fair value through profit and loss upon issuance and at each subsequent reporting period. The fair value of the Option was determined to be nil on March 31, 2024, mainly given the probability of being exercised was determined to be nil.

Wolverine

The Chief Executive Officer of the Company was, until December 8, 2023, the Executive Chairman of Wolverine Energy and Infrastructure Inc. ("Wolverine") and owned approximately 49% of the issued and outstanding shares of Wolverine. Wolverine owns approximately 18% of the issued and outstanding shares of the Company and is therefore, until December 8, 2023, considered to be a related party of the Company.

On December 8, 2023, FTI Consulting Canada Inc. ("FTI") was appointed receiver and manager of the assets, undertakings and property of Wolverine and its subsidiary companies, pursuant to an Order of the Court of King's Bench of Alberta. Please refer to 'Risks and Uncertainties' below for further discussion.

Key Management Personnel Compensation

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Short-term compensation (1)	421	1,501
Share-based compensation (2)	-	3,040
	421	**4,541**

(1) Short-term compensation includes annual salaries, management bonuses and employee benefits provided to key management personnel as well as directors' fees. Approximately $0.5 million is recorded in salaries and wages, $0.9 million in selling, general, and administrative, $0.1 million in gain on sale of subsidiary, and $1.0 million in prepaid related to a future project.

(2) Based on the grant date fair value of the applicable awards. The fair value of options granted is estimated at the date of grant using a Black-Scholes Option- Pricing Model. The total share-based payment of options issued in 2023 and 2022 is based on a fair value of $5.11 and $3.30 per option, respectively and $9.15 and $7.05 per share unit, respectively.

Key management personnel short-term compensation and share-based compensation were higher for the three months ended March 31, 2023 relative the current quarter as a result of short-term bonus payments and the granting of new performance share units and stock options in Q1 2023.

SIGNIFICANT ACCOUNTING ESTIMATES

In the preparation of the Company's interim consolidated financial statements, management has made judgments, estimates and assumptions that affect the recorded amounts of revenues, expenses, assets, liabilities and the disclosure of commitments, contingencies and guarantees. Estimates and judgments used are based on management's experience and the assumptions used are believed to be reasonable given the circumstances that exist at the time the financial statements are prepared. Actual results could differ from these estimates. The most significant estimates and judgments used in the preparation of the Company's annual consolidated financial statements have been set out in Note 5 of the annual consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

There have been no changes to the accounting policies during the three months ended March 31, 2024.

OUTSTANDING SHARE DATA

On May 15, 2024, the Company had the following common shares, stock options and share units outstanding:

Common shares	21,400,018
Stock options (vested and unvested)	1,456,969
Share units	272,916
Performance units	676,047
	23,805,950

RISKS AND UNCERTAINTIES

Due to the nature of the Company's business, the legal and economic climate in which it operates and its present stage of development, the Company's business segments are subject to significant risks. The following information describes certain significant risks and uncertainties inherent in the Company's business that are the most material and relevant to the Company’s current operating and financial condition as at the date of this MD&A. For a discussion on additional risk factors please refer to the **“Risks and Uncertainties”** section of the Company’s annual MD&A for the years ended December 31, 2023 and 2022, which describes certain additional significant risks and uncertainties inherent in the Company's business. This section and the Risks and Uncertainties section of the annual MD&A do not describe all risks applicable to the Company, our industry or our business, and is intended only as a summary of certain material risks. If any of such risks or uncertainties actually materializes, the Company's business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this MD&A and the annual MD&A.

The Company also faces many operating risks and uncertainties, including but not limited to:

The Company has a Limited History and has a History of Losses

The Company lacks a significant operating history, especially as it relates to the development of clean energy projects. Prospective investors have a limited basis upon which to evaluate the Company's ability to achieve a principal business objective of developing clean energy projects.

The Company experienced a loss from operations of $2.2 million ($1.8 million – 2022) for the three months ended March 31, 2024, and a $4.7 million loss for the year ending December 31, 2023 ($5.5 million – 2022). The Company incurred significant losses in connection with the development of its clean energy projects within the Clean Energy Production segment. The Colorado JV commenced operations in late Q4 2023. Given the early stage of operations, the Company expects its operating losses to continue. The Company's capital position may be adversely affected by low liquidity, which could impact its ability to meet financial obligations and pursue growth opportunities. Operating losses and its corresponding effect on liquidity may have an impact on construction timelines. The Company cannot provide assurance when the Clean Energy Production segment will reach profitability or that the clean energy projects will ever become profitable.

Failure to Secure Additional Financing

There can be no assurance the Company will be able to raise the additional funding necessary to carry out its business objectives and to complete the planned development of clean energy projects. The development of the clean energy business depends upon the Company's ability to generate cash flow from operations, prevailing market conditions for clean energy projects and pricing for the environmental attributes associated with RNG and other bio-fuels, its business performance and its ability to obtain financing through debt financing, equity financing, investment by Amber Infrastructure pursuant to the strategic partnering agreement, or other means. Amber Infrastructure’s exclusive rights to provide equity financing to Future Energy Park and Iowa RNG expire on June 30, 2024, unless both Amber Infrastructure and the Company mutually agree to extend. There is no assurance that the Company will be successful in obtaining the financing it requires and when needed or at all in order to complete the planned expansion of its business. If additional financing is raised by the issuance of Common Shares from treasury, Shareholders may suffer additional dilution.

Risks Arising from Co-Ownership

Certain projects and assets are currently, or may be in the future, jointly owned. Co-ownership and joint ventures agreements contain, as do those with Amber Infrastructure, a range of matters which may not be progressed without the approval of all parties, which may influence the strategy which the Company pursues in respect of certain projects or assets. There is no guarantee that the Company will be able to execute its preferred business or operational strategy at facilities which are jointly owned. In addition, agreements for the ownership and operation of the projects contain, as do those with Amber Infrastructure, mutual rights of first refusal which require a transferor who is proposing to transfer an ownership interest to

offer such interest on the same commercial terms to the co-owner of the assets prior to completing the transfer. Such provisions restrict the Company's ability to transfer its interests in the assets and may limit the Company's ability to maximize the value of a sale of its interest. In addition, in the event the Company defaults under its joint venture agreement with Amber Infrastructure, then Amber Infrastructure may have the right to purchase GIP's 50% ownership in Colorado JV for 80% of the fair market value, as determined by an independent third party.

Price of Environmental Credits

The Company cannot predict with any certainty the future market pricing of LCFS, RIN, and other environmental attributes associated with RNG and other bio-fuels. The profitability of the Company's operations will be seriously affected by changes in prices of such environmental attributes. Volatility or decrease in price may have a significant and negative impact on the value of the Company's assets, its financial condition and its ability to execute on its capital projects.

The Company earns LCFS, RIN, and other environmental attributes associated with RNG and other bio-fuels by both (i) supplying a fuel with a CI below the prescribed CI limit and (ii) taking actions that would have a reasonable possibility of reducing GHG emissions. Upon earning such environmental credits, the Company may monetize the environmental credits and sell validated credits to purchasers who wish to achieve compliance with the low carbon fuel requirements.

Overall Level of Indebtedness

From time to time, the Company may have a significant amount of indebtedness and the Company's level of indebtedness could materially and adversely affect it in a number of ways. For example, it could:

- make it more difficult for the Corporation to conduct its operations;
- increase the Corporation's vulnerability to general adverse economic and industry conditions;
- require the Corporation to dedicate a portion of its cash flow from operations to service payments on its indebtedness, thereby reducing the availability of the Corporation's cash flow to fund working capital, capital expenditures and other general corporate purposes including impacting the ability of the Corporation to pay dividends to shareholders;
- limit the Corporation's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- place the Corporation at a competitive disadvantage compared to its competitors that have less debt; and
- limit the Corporation's ability to borrow additional funds on commercially reasonable terms, if at all, to meet its operating expenses and for other purposes.

An increase in interest rates could result in a significant increase in the amount the Company pays to service debt, resulting in a reduced amount available to fund its activities and could negatively impact the market price of the Common Shares.

Debt Service

The Company requires sufficient cash flow in order to service and repay its indebtedness. The Company's ability to generate sufficient cash flow to meet these obligations depends on its financial condition which may be, to a certain extent, subject factors that may be beyond its control. If the Company is unable to obtain future borrowings or generate cash flow from operations in an amount sufficient to service and repay its indebtedness, the Company could default under the agreements governing its indebtedness and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets. The inability to service, repay and/or refinance its indebtedness could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service.

Fluctuations in Operating Results and Cash Flow

The Company's operating results and cash flow will fluctuate substantially from quarter to quarter and as a result in the fluctuation in demand for water treatment, recycling and waste services and also clean energy and the development of clean energy. Timing of new contract awards varies due to customer-related factors such as finalizing technical specifications and securing project funding, permits, feedstock agreements and offtake agreements. The Clean Energy Business will recognize revenue, costs and profits over the period of the contract by reference to the stage of completion of the contract. The stage of completion of a contract is determined by internal estimates, with reference to the proportion of costs incurred and the proportion of work performed. Revenue is recognized in proportion to the total revenue expected on the contract. Such estimates may differ from actual results. Accordingly, the inherent uncertainty in these estimates could cause the Company's Investment in Joint Venture to fluctuate and such fluctuations may be material.

Projects May Not Generate Expected Outputs

The Company's capital projects remain subject to various operating risks that may cause them to generate lower output levels than currently projected. Various factors, including equipment malfunctions, technical issues, labor shortages, or supply chain disruptions may contribute to production levels or quality being lower than expected. Such variations from projections could result in decreased revenues, increased operating costs, impairment of assets, and diminished competitiveness in the market. Consequently, the Company's profitability, financial condition, and ability to meet contractual obligations may be materially affected if its production facility projects do not perform as anticipated.

Wolverine Energy & Infrastructure Inc. Receivership

Investors should be aware of the risk associated with Wolverine Energy & Infrastructure Inc. ("Wolverine") being placed into receivership on December 8, 2023. FTI Consulting Canada Inc. was appointed receiver and manager (the "Receiver") of the assets, undertakings and property of Wolverine and its subsidiary companies, pursuant to an Order of the Court of King's Bench of Alberta. Wolverine was a shareholder of the Company at the time it was placed into receivership and may continue to hold an undisclosed number of Common Shares in the Company. On January 4, 2024, the Receiver launched a sale and investment solicitation process (the "SISP") to solicit interest in, and opportunities for, a sale of all or part of the business, property, assets and undertakings of the Wolverine and its affiliates and was intended to result in binding offers being submitted by March 7, 2024. As a result of the receivership and SISP, Wolverine may liquidate some or all remaining Common Shares in the Company to address its financial obligations or to comply with receivership proceedings. A share liquidation by the Receiver could result in an abrupt and potentially substantial influx of the Company's Common Shares into the market, affecting stock price, liquidity, and market sentiment. While the Company has no direct influence over Wolverine's actions in receivership, investors should be aware of the potential consequences of such a liquidation on their investments, including the possibility of price volatility and changes in market dynamics driven by changes in Wolverine's financial challenges and market position.

SUBSEQUENT EVENTS

On April 28, 2024, the Company entered into an amendment to the Option Agreement whereby one of the Optionees has agreed to fund to GIP the Additional Option of $4.0 million available at GIP's sole discretion. The Additional Option has similar terms to the Option except for additional commitment fees. During the term of the Option Agreement, the Company may, at its sole option, repurchase the option from the Optionee by paying all amounts previously funded to the Company for both the Option and the Additional Option including accrued interest at a rate of 1.25% per month plus commitment fees on the Additional Option. As at the date of this MD&A, $3.5 million of the Option Agreement, including the "Additional Option" has been drawn with $6.5 million available.