Green Impact Partners

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2024 and 2023

April 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for the years ended December 31, 2024 and 2023 is prepared as of April 30, 2025 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 audited consolidated financial statements as at and for the years ended December 31, 2024 and 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. 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"); 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 "FEP"); the expected capital structure and organization of the FEP; 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; closing of definitive documentation with the FEP Lead Equity Partner (as defined herein); anticipated cash distributions of the FEP project if completed; 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; the Company's ability to source additional capital from external financing sources, including funds available under the Option Agreement (as defined below), debt, equity, strategic partnership, or potentially asset dispositions; anticipated developments in respect of the Clean Fuel Regulations; potential benefits in respect to the Alberta Technology Innovation and Emissions Reduction Regulation; 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 the Company's competitive position; anticipated supply and demand for the Company's products and services; reliance on third-party reports for project financing involves risks related to assumptions, timelines, and outcomes that may vary, potentially impacting the Company's financial position and project development; 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 other bioenergy 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 ("Bioenergy Production"). Moreover, alongside its primary focus, GIP possesses a network of assets located throughout western Canada and the United 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.

- **Bioenergy Production (formerly Clean Energy Production)** – The Bioenergy Production segment includes bioenergy projects under construction, development, and pre-development located in Canada, the United States and New Zealand. The current portfolio of bioenergy projects within this operating segment includes RNG, biofuel and hydrogen distribution projects.

2024 Highlights

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

Insider Investment: In 2024, the Company entered into an option agreement (the "Option Agreement") with corporate entities controlled by both current and previous directors for the Company (the "Optionees") 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 bioenergy development portfolio. As of the date of this MD&A, $4.0 million has been drawn under the Option Agreement.

Closed Sale of Colorado JV ITCs for Gross Proceeds of $28.9 Million: On June 27, 2024, Colorado JV closed the Purchase and Sale Agreement ("PSA") for the ITCs for total sales proceeds of $28.9 million (US$21.1 million). GIP received a net distribution from the Colorado JV of $17.8 million (US$13.0 million) after the replenishment of the debt service reserve account for the Colorado JV.

Commenced Commercial Gas Production at Colorado JV: Following resolution of the local utility technical issues, the Colorado JV began commercial gas production and sales in 2024. Over the course of the year, the Colorado JV identified ongoing equipment and design deficiencies and is actively pursuing corrective measures available under its Engineering, Procurement & Construction ("EPC") contract.

Finalized Carbon Credit Pathways for FEP: In July 2024, the Company finalized the carbon credit pathways under the Alberta Technology Innovation and Emissions Reduction ("TIER") program for FEP.

Received Conditional Development Permit for FEP: In December 2024, the Company received its conditional Development Permit from the City of Calgary. This approval enables the initial site work to begin, following financial close, when construction commences.

Project Construction and Development Updates

Colorado Joint Venture

Following resolution of the local utility technical issues, the Colorado JV has experienced operational challenges through the ramp up period due to EPC commissioning, design and equipment failures. Throughout 2024, the Colorado JV continued to work with the EPC contractor, who committed to rectify the issues, however, ongoing EPC failures are still required to be addressed. The Company engaged a third-party independent engineering firm to assess the facilities and provide recommendations to rectify the issues. The Colorado JV is progressing through the remedies available under its EPC contract over the remainder of 2025 and early 2026 to correct the EPC failures. Subsequent to year end, the Colorado JV issued a Notice of Default to the EPC contractor.

Due to the uncertainty of timing of the correction of the EPC failures, the Company is not providing and is withdrawing its EBITDA guidance at this time (2025 EBITDA was previously estimated at $12.3 million, of which GIP would retain a 50% net interest).

The Colorado JV has received its temporary pathway approval for both sites under the California Air Resources Board Low Carbon Fuel Standard ("LCFS") program and as such, is now monetizing its environmental credits for its production to date. The temporary pathway provides a temporary CI score of -150 for monetization of LCFS credits until the provisional pathway is approved for each site, expected in the next 12-18 months. Based on preliminary analysis, the projected CI score for the facilities is expected to be improved over the previously estimated CI score of -189.

Due to the challenges identified above, the Colorado JV did not meet its covenant production targets and did not achieve successful completion of the performance tests under the EPC agreement required under the Colorado JV project debt facility ("Colorado JV Debt Facility") during the fourth quarter of 2024. The covenant breach cannot be cured, and as a result, the project lender has the right to demand repayment and/or realize on the security at any time under the Colorado JV Debt Facility. The Colorado JV is working with the project lender of the Colorado JV Debt Facility to both provide a waiver of the production covenant breach and to amend the terms of the credit facility, including future performance covenants, to enable the Colorado JV to work through design improvements and repairs. There can be no assurances that the Colorado JV will be successful in obtaining the waiver and amending the Colorado JV Debt Facility to avoid future defaults.

As previously disclosed, on June 27, 2024, the Colorado JV closed the sale of its ITCs for gross proceeds of $28.9 million (US$21.1 million). The Company and its Colorado JV partner, Amber Infrastructure Group ("Amber Infrastructure") entered into an agreement to structure the transaction whereby the Company received all the net proceeds from the ITC sale, and the parties terminated and waived the payment of the deferred consideration originally contemplated under the unit purchase agreement between Amber Infrastructure and the Company (the "Deferred Consideration"), in addition to the related ITC distribution agreement and the associated funding of the ITC distribution account. As part of this transaction, a parent guaranty was provided, which was backed by ITC tax insurance, subject to certain exclusions. Please refer to Risks and Uncertainties below – Operating Risks and Insurance. Pursuant to the terms of the Colorado JV Debt Facility, $8.2 million (US$6.0 million) of the ITC proceeds were used to fund the debt service reserve account. GIP received $17.8 million (US$13.0 million) in net cash proceeds, following the replenishment of the debt service reserve account and the payment of certain transaction costs for the Colorado JV ITCs (within the previously provided range of $16.2 million (US$12.3 million) and $21.8 million (US$16.5 million) which included the Deferred Consideration). With the net ITC proceeds, the Company also initially injected $2.1 million (US$1.5 million) into the Colorado JV as a preferred capital contribution for working capital purposes, with an additional $1.1 million (US$0.8 million) injected throughout the remainder of 2024. This preferred capital contribution does not have an impact on the respective ownership percentages of the partners but rather will carry a preferred return of an estimated 5% annually, to be repaid prior to any other distributions to the partners.

Future Energy Park

The Company has been working to progress financing. Total capital costs for FEP, including contingencies, financing and transaction costs are estimated at approximately $2 billion, of which construction costs with contingency is approximately $1.5 billion. FEP is expected to be financed with a capital structure of 25% equity and 75% project-level senior and subordinated debt.

FEP is expected to have an estimated annual production of four million gigajoules of RNG, over 300 million litres of cellulosic equivalent ethanol, approximately 595,000 tonnes of wet distillers' grain, approximately 400,000 tonnes of carbon credits, and approximately 300,000 tonnes of clean, biogenic CO_2. Based on updated contract terms and independent third-party price forecasts for FEP's various revenue streams, the anticipated annual run-rate EBITDA is $325 million to $460 million based on current contractual arrangements and independent third-party pricing assumptions.

FEP will utilize non-food grade wheat that will be processed through a bio-fermentation process to generate ethanol. The by-product from the bio-fermentation process will then be converted into RNG through an anerobic digestion process. In addition, to support the facility's power, steam and hot water requirements, the project will also include a high-efficiency cogeneration (combined heat and power) facility. Any excess power from the cogeneration facility will be sold into the Alberta electricity market. In addition, high protein wet distillers' grain ("WDG") (a by-product of the anaerobic digestion process) is produced, along with a pure stream of captured biogenic CO_2.

In 2024, the Company incurred approximately $6.5 million in costs (out of a total of approximately $38.5 million) to further advance FEP. The Company estimates it will cost approximately $2.9 million to advance the project to financial close and commencement of construction.

Feedstock

FEP has entered into a long-term supply agreement (the "Feedstock Contract") with a large creditworthy counterparty to purchase 750,000 tonnes annually of non-food grade wheat, which, depending on starch content, is expected to supply all the feedstock required for the facility on an annual basis. The Company has the option to purchase any additional waste wheat supply if needed, dependent on starch content, from the same supplier or other sources. The Feedstock Contract secures supply at market rates determined by the quality of the wheat. In early 2025, FEP entered into a secondary long-term supply agreement with an Alberta based grain aggregator for up to 250,000 additional tonnes of non-food grade wheat. The secondary contract supports the Company's strategy to procure the lowest quality of wheat available that meets plant specifications, which is further expected to enhance the competitive price environment for the feedstock. Based on an independent third-party forecast of market rates, the Company estimates average wheat supply costs of approximately $200 million annually over the first ten years of operations.

Offtake Agreements

RNG

The Company is near final on the definitive agreement for the sale of 100% of FEP's RNG produced on a long-term basis to a highly creditworthy counterparty for a fixed price, with upside sharing on any environmental attributes expected to be generated by FEP under applicable federal and provincial clean fuel programs. Based on an expected run-rate production of approximately four million gigajoules of RNG annually, and using independent price forecasts for federal and provincial clean fuel credits, the Company anticipates annual revenue of $140 million to $175 million in annual revenue for the sale of its RNG. Of this, approximately $120 million is expected to be on a fixed-price basis. After estimated transportation charges of approximately $5 million annually, and the allocation of both direct and indirect operating expenses of approximately $15 million annually, the resulting EBITDA is projected to be between $120 million to $155 million per year for the sale of its RNG.

Carbon Credits

The Company has finalized the carbon credit pathways under the Alberta TIER program and FEP is expected to generate approximately 400,000 tonnes annually of carbon credits (previously estimated at 650,000 tonnes annually). In an effort to maximize senior debt availability and economics of the project, the Company is currently pursuing a long-term fixed price contract for the TIER credits. The Company expects to generate between $35.0 million and $25.0 million in annual revenue for the TIER carbon credits, resulting in annual run-rate EBITDA for the sale of these credits of $17.5 million to $27.5 million, after the allocation of both direct and indirect operating expenses of approximately $7.5 million per annum.

Ethanol

FEP intends to sell 100% of its ethanol production, consisting of over 300 million litres annually of cellulosic equivalent ethanol, to two independent creditworthy counterparties. The Company has executed a binding contract with a large, international, integrated energy company to sell 50% of its ethanol production, including the associated environmental attributes, for eight years at merchant prices, less a marketing fee. The Company has executed a non-binding term sheet and is currently finalizing a definitive agreement for the sale of its remaining 50% of ethanol production to a multi-national commodity trading company for an initial five-year term, mutually extendable for additional one-year periods thereafter.

The ethanol is anticipated to be sold into North American markets and is expected to generate revenue through both the sale of the underlying fuel and the sale of associated environmental attributes under various low carbon and clean fuel standards across North America. The Company estimates it will generate between $390 million to $460 million in revenue annually over the initial decade of operation. This forecast is based on the facility's expected annual run-rate production of over 300 million litres of cellulosic equivalent ethanol, along with independent third-party price forecasts and average ethanol revenue incorporating attributable environmental attributes. This is expected to result in approximately $140 million to $210 million in EBITDA per year for FEP, net of wheat supply costs disclosed above of $200 million annually, as well as approximately $50 million allocated for both direct and indirect operating expenses.

Distillers Grain

FEP is expected to produce approximately 595,000 tonnes annually of WDG, which has been contracted for sale on a merchant price basis to a local marketer of agricultural commodities for an initial 10-year period. Based on independent price forecasts for WDG, the Company expects FEP to receive between $57.5 million to $77.5 million in annual revenue for the sale of its WDG, resulting in approximately $50 million to $70 million in annual EBITDA for the sale of this product, after the allocation of both direct and indirect operating expenses of approximately $7.5 million per year.

Engineering & Procurement Contract & Construction Contract

The engineering & procurement ("E&P") contract and the construction contract for FEP are complete and will be executed prior to the close of project-level debt financing. The E&P contract will be executed under a fixed-price contract with a Canada-based engineering firm, renowned for its global track record in delivering sustainable energy projects. The construction contract will be completed under a fixed-price contract with a global, creditworthy engineering and construction firm.

Carbon Capture & Sequestration

To meet certain minimum CI requirements under various offtake agreements for FEP, the Company has executed a term sheet and is currently negotiating a long-term definitive agreement for the permanent sequestration of its captured CO_2. The agreement is for a 20-year term and provides a base fee for sequestration. Under the sequestration agreement, FEP is responsible for transportation of the CO_2 to the sequestration facility. All costs related to carbon capture and sequestration have been allocated to the various revenue streams above as indirect costs.

Material Permits & Approvals

The project has obtained all material permits and approvals required to move forward with construction, having received its conditional Development Permit from the City of Calgary in December 2024. The final development permit is expected in the third quarter of 2025. In early 2024, FEP received its stripping and grading permit, the first of its construction permits, from the City of Calgary. This approval enables the initial site work to begin as construction commences.

Iowa RNG Project

There have been no material developments during 2024 on the Company's Iowa RNG project. The Company continues to pursue a viable long-term offtake agreement, which is required to proceed to final investment decisions. Until such an agreement is executed, no additional capital will be allocated to this project.

New Zealand Green Hydrogen

The Company's green hydrogen opportunity in New Zealand progressed meaningfully during 2024. Three of the first four facilities are now operational and trucks are being filled with hydrogen. Each operational site is at its electrolyser design capacity of the 1 MW required to generate the hydrogen used for fueling. The next four facilities are currently under construction. The Company continues to hold a 12% equity interest and a board seat in the New Zealand opportunity and is not required to, nor does it plan to acquire more equity in the entity. Given that the entity remains in the early-stage growth phase, no cash distributions to shareholders are expected in the near to medium term.

Material Policy Developments

The Company has reviewed and assessed material policy developments, including updated federal and provincial legislation, in draft or final form, which impacts the Company's projects as further described below.

Canada

Clean Technology ITC

The Clean Technology ITC is a federal program providing an up to 30% refundable tax credit for eligible property acquired and available for use after March 28, 2023 in various categories of non-fossil fuel energy generation and storage. A waste biomass expansion was also announced in the 2023 Fall Economic Statement. Draft legislation was released in 2024. The Company had previously estimated that certain property of FEP would be eligible for this program with an estimated potential refundable tax credit between $33.0 million and $50.0 million; however, based on the draft legislation, the Company determined through work with third-party advisors that FEP was not eligible as the program is targeted to clean technologies that produce and sell power, and does not include biofuels.

Carbon Capture Utilization and Storage ("CCUS") ITC

As previously disclosed, the CCUS ITC is a federal program providing an up to 60% refundable tax credit for direct air capture equipment (60%), other capture equipment (50%) and carbon transportation and pipeline infrastructure (37.5%). Certain labour requirements must be met to achieve the maximum refundable rate, with a 10% reduction if not met. The CCUS ITC will be reduced by half from 2031 to 2040. Certain property of FEP is expected to be eligible for this program. The Company currently estimates a potential refundable tax credit between $25.0 million and $39.0 million, subject to meeting the program qualifications.

Alberta Carbon Capture Incentive Program ("ACCIP")

As previously disclosed, the ACCIP offers a 12% grant on new eligible CCUS capital expenditures. The grant is expected to be payable in three installments over three years, following the first year of operations. This provincial funding will be available once the federal government legislates the CCUS ITC. The Company currently estimates an ACCIP grant between $7.7 million and $9.2 million for FEP once operational, subject to finalization of the legislation.

Alberta Agri-Processing ITC ("APITC")

As previously disclosed, the APITC offers a 12% non-refundable tax credit on eligible capital expenditures related to the transformation of agricultural inputs, with a maximum tax credit amount of $175 million. A tax credit can be claimed against Alberta corporate taxes and may be carried forward up to 10 years. As FEP transforms non-food grade wheat into ethanol, RNG and WDG, certain property of FEP is expected to be eligible for this program, subject to receiving conditional approval and obtaining the tax credit certificate once the facility is operational. The Company is currently in the process of estimating the potential APITC for FEP.

British Columbia ("BC") Renewable Fuel Requirements

On February 27, 2025, the Government of BC announced updates to the province's renewable fuel requirements under the Low Carbon Fuels Act, including:

- Beginning January 1, 2026, the minimum 5% renewable fuel requirement for gasoline must be met with eligible renewable fuels produced in Canada; and
- Effective April 1, 2025, the renewable fuel blending requirement for diesel will increase from 4% to 8%. To meet this new target, the renewable fuel must be produced within Canada.

These updates are anticipated to be positive with respect to the demand for renewable fuels generated by the Company, including FEP.

Alberta Government Draft Quantification Protocol for CO2 Capture and Permanent Geologic Sequestration

On November 1, 2024, the Government of Alberta under the TIER program issued a draft quantification protocol that included captured CO^2 from a biogenic source that is permanently sequestered in a targeted geological storage zone capable of permanent storage, to qualify as offset credits. This draft protocol would apply to FEP given it's Carbon Capture and Sequestration plans discussed above. The benefit of the credit under TIER has been included in the estimate of carbon credits under TIER as disclosed above. The protocol was finalized and published on January 7, 2025.

United States

Production Tax Credits

Starting on January 1, 2025, the sustainable aviation fuel, biodiesel renewable fuels, and alternative fuels credits will transition to the clean fuel production credit under Section 45Z (the "45Z Credit") of the U.S. Inflation Reduction Act ("IRS"), which terminates on December 31, 2027. The 45Z Credit applies to transportation fuel produced and sold from December 31, 2024 through December 31, 2027 and that meets a particular emissions reduction factor. GIP expects its RNG facilities to meet the criteria to qualify for these PTCs. The Inflation Reduction Act provides a base credit of US$0.20 per gallon or US$1.00 per gallon if prevailing wage and apprentices requirements are met. The actual credit amount is determined using a formula that takes into account the base credit amount and the greenhouse gas ("GHG") emissions factor. The IRS released guidance on the 45Z Credit in early 2025 that included a Section 45Z model for determining the project specific GHG emissions factor for purposes of calculating the credit. Based on the anticipated project specific GHG emissions factor under the Section 45Z model, the Company estimates the impact of these PTCs to be approximately US$8 per MMBtu of production for the Colorado JV. The Company has not estimated the GHG emissions factor for the Iowa RNG Project at this time. Similar to the ITC, the Company may sell the PTCs to a third-party for cash proceeds.

FINANCIAL HIGHLIGHTS

($000) *As at and for the year ended*	December 31, 2024	December 31, 2023	December 31, 2022
Revenue	145,022	161,162	213,738
Gross margin	9,646	7,650	5,401
Income (loss) from operations	(5,105)	(4,732)	(5,463)
Net income (loss)	(22,149)	1,293	(9,361)
Comprehensive income (loss)	(20,575)	1,092	(7,558)
Funds from (used in) operations	(617)	6,904	(122)
Cash from (used in) operations	(2,610)	8,219	(2,519)
Purchase of property, plant and equipment	(7,868)	(23,966)	(52,927)
Total assets	170,806	188,512	226,977
Total liabilities	72,240	71,641	109,307

RESULTS OF OPERATIONS

Revenue

	For The Three Months Ended		
	December 31, 2024	December 31, 2023	Change ($)
($000)			
Energy product optimization	31,626	31,593	33
Fee for service – Water treatment and disposal	2,233	2,532	(299)
Fee for service – Solids disposal and recycling	3,111	3,265	(154)
Total Revenue	**36,970**	**37,390**	**(420)**
Revenue Volumes:			
Energy product optimization (m^3)	53,287	52,673	614
Fee for service – Water treatment and disposal (m^3)	173,779	130,998	42,781
Fee for service – Solids disposal and recycling (tonnes)	31,205	48,286	(17,081)

Direct Costs

	For The Three Months Ended		
	December 31, 2024	December 31, 2023	Change ($)
($000)			
Energy product optimization	29,969	30,847	(878)
Fee for service	4,206	4,337	(131)
Total Direct Costs	**34,175**	**35,184**	**(1,009)**

Gross Profit

	For The Three Months Ended December 31, 2024	December 31, 2023	Change ($)
($000)			
Energy product optimization	1,657	746	911
	5.2%	*2.4%*	*2.8%*
Fee for service	1,138	1,460	(322)
	21.3%	*25.2%*	*(3.9%)*
Total Gross Profit	**2,795**	**2,206**	**589**
	7.6%	*5.9%*	*1.7%*

Revenue decreased by $0.4 million or 1% for the three months ended December 31, 2024, compared to the same period in 2023.

- The Company's Energy Product Optimization Services revenue was consistent compared to the same period in 2023. Benchmark oil prices realized decreased 10% period over period, however this was offset by a 1% increase in volumes sold. The weighted average price sold was $593.55/m^3 for the three months ended December 31, 2024, as compared to $621.97/m^3 for the same period in 2023.
- Fee for service revenue for the three months ended December 31, 2024, decreased $0.5 million or 8%, compared to the same period in 2023. This is due to a decrease in water treatment and disposal revenue of 12% despite an increase in volume processed of 33%. This is due to a lower value for the product mix of volumes processed in the three months ended December 31, 2024, as compared to the same period in 2023. Furthermore, there was a decrease in the solid's disposal and recycling revenue of 5% which was due to a reduction in volumes processed of 35%. This is due to the composition of the differences between the Company's two solids disposal and recycling sites where one of the sites with the lower revenue per unit experienced a 36% decrease in volumes. However, 27% of solids revenue is attributable to this facility while it comprises 95% of the overall volume for the segment. Therefore, the impact of this volume decrease did not result in a corresponding decrease to revenue. Meanwhile, the other solids disposal and recycling site, which accounts for 73% of the solid's revenue with only 5% of the overall volume contribution, experienced a 5% decrease in volume and a 2% decrease in revenue over the same period due mainly to timing. Each site processes different materials and therefore have different underlying pricing for their services.

Direct costs decreased by $1 million or 3% for the three months ended December 31, 2024, compared to the same period in 2023.

- Energy Product Optimization Services direct costs were consistent compared to the same period in 2023, for the same reasons discussed in the revenue commentary above, with the volume purchased increasing 4% coupled with 10% lower benchmark prices for oil acquired from producers to be optimized, shipped and sold. The weighted average price purchased was $575.80/m^3 for the three months ended December 31, 2024, as compared to $599.11/m^3 for the same period in 2023.
- Fee for service direct costs were consistent compared to the same period in 2023.

Gross profit for the three months ended December 31, 2024, increased by $0.6 million, or 1.7% in absolute terms, compared to the same period in 2023.

- Energy Product Optimization Services gross profit percentage has improved by 2.8% in absolute terms compared to the prior period, despite consistent revenues over the same period. This improved profitability is a result of a number of factors including:
  - Enhanced processes over managing crude oil positions in order to optimize trades and inventory volumes;

- Optimized blending to improve quality and pricing realized for energy products sold;
- Although overall volumes have remained consistent, those volumes have been high graded by a focus on turning away volumes of a quality that, when combined with other volumes, impairs the overall quality of the stream that is eventually sold to the market and thereby impacting realized sales prices; and
- Skim oil volumes (the byproduct of water processing and disposal) sold have increased over the prior period, which is a very high margin product.

- Fee for service gross profit percentage has decreased by 3.9% in absolute terms compared to the prior period. This is due to the same reasons discussed above for the decrease in revenue and partially offset by the decrease in direct costs.

Revenue

	For The Year Ended		
	December 31, 2024	December 31, 2023	Change ($)
($000)			
Energy product optimization	124,101	140,392	(16,291)
Fee for service – Water treatment and disposal	10,461	9,897	564
Fee for service – Solids disposal and recycling	10,460	10,873	(413)
Total Revenue	**145,022**	**161,162**	**(16,140)**
Revenue Volumes:			
Energy product optimization (m3)	210,716	234,270	(23,554)
Fee for service – Water treatment and disposal (m3)	623,787	542,895	80,892
Fee for service – Solids disposal and recycling (tonnes)	112,742	151,195	(38,453)

Direct Costs

	For The Year Ended		
	December 31, 2024	December 31, 2023	Change ($)
($000)			
Energy product optimization	118,574	136,235	(17,661)
Fee for service	16,802	17,277	(475)
Total Direct Costs	**135,376**	**153,512**	**(18,136)**

Gross Profit

	For The Year Ended		
	December 31, 2024	December 31, 2023	Change ($)
($000)			
Energy product optimization	5,527	4,157	1,370
	4.5%	*3.0%*	*1.5%*
Fee for service	4,119	3,493	626
	19.7%	*16.8%*	*2.9%*
Total Gross Profit	**9,646**	**7,650**	**1,996**
	6.7%	*4.7%*	*2.0%*

Revenue decreased by $16.1 million or 10% for the year ended December 31, 2024, compared to the same period in 2023.

- The Company's Energy Product Optimization Services revenue decreased $16.3 million or 12% compared to the same period in 2023. This is due to a combination of a 10% decrease in volumes sold in conjunction with a 3% decrease in benchmark oil prices period over period. The weighted average price sold was $608.73/m^3$ for the year ended December 31, 2024, as compared to $627.81/m^3$ for the same period in 2023.

- Fee for service revenue increased $0.2 million or 1% compared to the same period in 2023. This is due to a 6% increase in water treatment and disposal revenue as a result of a 15% increase in volumes processed. Fee for service solids disposal and recycling revenue decreased 4% as a result of a 25% decrease in volume processed. This is due to the composition of the differences between the Company's two solids disposal and recycling sites where one of the sites with the lower revenue per unit experienced a 26% decrease in volumes. However, 25% of solids revenue is attributable to this facility while it comprises 97% of the overall volume for the segment. Meanwhile, the other solids disposal and recycling site, which accounts for 75% of the solid's revenue with only 3% of the overall volume contribution, experienced a 2% decrease in volume and a 1% decrease in revenue over the same period due mainly to timing. Each site processes different materials and therefore have different underlying pricing for their services.

Direct costs decreased $18.1 million or 12% for the year ended December 31, 2024, compared to the same period in 2023.

- Energy Product Optimization Services costs decreased by $17.7 million or 13% for the same reasons discussed in the revenue commentary above, with the volume processed decreasing 10% coupled with 3% lower price for oil acquired from producers to be optimized, shipped and sold. The weighted average price purchased was $586.40/m^3$ for the year ended December 31, 2024, as compared to $605.04/m^3$ for the same period in 2023.
- Fee for service direct costs decreased by $0.5 million or 3%. The main driver of this decrease was lower utility costs in line with historical averages as compared to the same period in the prior year, which experienced abnormally high utility costs. 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. The workover was completed, and the well was put back into full operation in January 2024.

Gross profit for the year ended December 31, 2024, increased $2.0 million or 2.0% in absolute terms, as a percentage of revenue, compared to the same period in 2023.

- Energy Product Optimization Services gross profit percentage has improved by 1.5% in absolute terms compared to the prior period, despite a 12% reduction in revenue over the same period. This improved profitability is a result of the reasons discussed above.
- Fee for service gross margins have steadily improved with a 2.9% increase in gross profit percentage, in absolute terms, over the year ended December 31, 2024, as compared to the same period in the prior year. This is due to the same reasons discussed above for the increase in revenue and decrease in direct costs.

Operating Expenses

($000)	For The Three Months Ended December 31, 2024	December 31, 2023	$ Change
Depreciation and amortization	1,532	1,284	248
Salaries and wages	1,455	709	746
Selling, general and administration	900	1,214	(314)
Total Operating Expenses	**3,887**	**3,207**	**680**

($000)	For The Year Ended December 31, 2024	December 31, 2023	$ Change
Depreciation and amortization	6,062	5,090	972
Salaries and wages	4,824	2,624	2,200
Selling, general and administration	3,865	4,668	(803)
Total Operating Expenses	**14,751**	**12,382**	**2,369**

Operating expenses for the three months and year ended December 31, 2024, have increased by $0.7 million or 21% and $2.4 million or 19%, respectively, compared to the same periods in 2023.

Depreciation and amortization for the three months and year ended December 31, 2024, have increased by $0.2 million or 19% and $1.0 million or 19%, respectively, compared to the same periods in 2023. This is due to additional right of use assets related to new office and equipment leases added throughout the year, which have increased the overall property, plant, and equipment base subject to depreciation.

Salaries and wages for the three months and year ended December 31, 2024, have increased by $0.7 million or 105% and $2.2 million or 84%, respectively, compared to the same period of 2023. This increase is result of salary adjustments that became effective in July 2024, severance costs paid out in the fourth quarter of 2024, increased salaries and wages to support the Company's joint venture, and the transition of certain consultants to full time permanent employees, which increased salaries and wages over the comparable period, partially offset by lower selling, general and administrative expenses, as discussed below.

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, for the three months and year ended December 31, 2024, have decreased by $0.3 million or 26% and $0.8 million or 17%, respectively, compared to the same periods in 2023. This decrease was mainly due to decreased consultant costs as discussed above, reduced legal expenses on development projects, and reduced training and development costs.

Non-Operating Expenses (Income)

($000)	For The Three Months Ended December 31, 2024	December 31, 2023	$ Change
Finance costs	645	665	(20)
Share-based compensation	1,013	1,452	(439)
Impairment expense	501	-	501
Equity (earnings) loss from joint venture	1,965	1,082	883
Unrealized (gain) loss on foreign exchange	106	447	(341)
Realized (gain) loss on foreign exchange	(219)	(33)	(186)
Total Non-operating Expenses (Income)	**4,011**	**3,613**	**398**

($000)	For The Year Ended December 31, 2024	December 31, 2023	$ Change
Finance costs	2,854	2,485	369
Unrealized (gain) loss on risk management contracts	-	(555)	555
Share-based compensation	3,844	5,258	(1,414)
Impairment expense	501	-	501
Equity (earnings) loss from joint venture	7,461	784	6,677
Gain on sale of interest in subsidiary	-	(10,142)	10,142
Transaction costs	1,327	-	1,327
Management fee	-	(6,745)	6,745
Unrealized (gain) loss on foreign exchange	(442)	462	(904)
Realized (gain) loss on foreign exchange	126	13	113
Total Non-operating Expenses (Income)	**15,671**	**(8,440)**	**24,111**

Finance Costs

Finance costs are comprised of a combination of interest on long-term debt, interest on the Option Agreement, accretion expense on the asset retirement obligation liability and the amortization of deferred financing costs. Finance costs for the three months ended December 31, 2024, have remained consistent, and for the year ended December 31, 2024, increased $0.4 million or 15%, compared to the same periods in 2023. Although consistent for the respective three-month periods, the composition has changed with a decrease to interest on long-term debt, due to declining interest rates, offset by an increase related to interest accrued on the Option Agreement, which was entered into in 2024. The Company's corporate credit facility (the "Facility") changed from an average drawn balance of $25.1 million and $25.0 million, respectively, for the three months and year ended December 31, 2023, to an average drawn balance of $25.7 million and $26.6 million, respectively, for the three months and year ended December 31, 2024. Interest costs were slightly higher for the three-month period ended December 31, 2024, compared to the same period of 2023 despite the lower average drawn credit facility balance due to higher interest expenses relating to new leases in 2024 coupled with approximately $0.4 million of interest accrued on the Option Agreement, when compared to the same period in 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. The unrealized gain for the year ended December 31, 2023, represents the gain for the period prior to the sale of the Colorado JV.

Share-based Compensation

Share-based compensation costs for the three months and year ended December 31, 2024, have decreased by $0.4 million or 30% and $1.4 million or 27%, respectively, compared to the same periods in 2023. This decrease is directly correlated to the graded vesting method used for restricted share units and performance share units, which decreases the amount of share-based compensation costs recognized as tranches vest, offset by the impacts of a new grant of performance share units in the third quarter of 2024.

Impairment Expense

Impairment expense for the three months and year ended December 31, 2024, have increased by $0.5 million or 100%, compared to the same periods in 2023. This increase is a result of the write-off of costs previously capitalized to assets under construction for projects the company had in the development pipeline that are no longer being pursued.

Equity (Earnings) Loss from Joint Venture

As previously discussed, effective February 23, 2023, following 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. For the three months and year ended December 31, 2024, equity loss from joint venture have increased by $0.9 million and $6.7 million, respectively, compared to the same periods in 2023. This is due to the fact that the Colorado JV was operational in 2024 as opposed to still under construction in 2023. The earnings in the prior periods in 2023 were reflective of mark to market gains on interest rate swaps. The Colorado JV incurred operating costs for the three months and year ended December 31, 2024 in excess of recognized revenue for the reasons discussed above.

Gain on Sale of Subsidiary

As previously discussed, the Company sold a 50% interest in the Colorado JV for gross proceeds of $59.3 million. A gain on sale of $10.1 million was recognized in the first quarter of 2023 associated with this disposition of interest, representing the difference between the net proceeds after transaction costs of $38.7 million and the carrying value of the net assets sold.

Transaction Costs

As part of the ITC transaction closed in June 2024, the Company incurred $1.3 million of transaction costs that were not attributable to the Colorado JV and are therefore presented on the Statement of Income (Loss) and Comprehensive Income (Loss).

Management Fee

Subsequent to the completion of the sale of a 50% interest in the Colorado JV, GIP, through is wholly owned subsidiary GIP U.S., Inc. as partner, received a $6.7 million (US $5.0 million) one-time management fee in the second quarter of 2023 from the partnership as compensation for the services rendered to date in development of the Colorado JV. The payment of this management fee was subject to certain project performance milestones, all of which were met during 2023.

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 principle 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		
($000)	**December 31, 2024**	**December 31, 2023**	**$ Change**
Net income (loss)	(5,446)	(5,066)	(380)
Income tax expense (recovery)	343	449	(106)
Depreciation and amortization	1,532	1,284	248
Finance costs	645	665	(20)
EBITDA	**(2,926)**	**(2,668)**	**(258)**
Share-based compensation	1,013	1,452	(439)
Impairment expense	501	-	501
Adjusted loss from joint venture (1)	910	1,009	(99)
Adjusted EBITDA(2)	**(502)**	**(207)**	**(295)**

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, impairments and other finance costs.

(2) To ensure consistency, the prior period Adjusted EBITDA 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.

($000)	For The Year Ended December 31, 2024	December 31, 2023	$ Change
Net income (loss)	(22,149)	1,293	(23,442)
Income tax expense (recovery)	1,373	2,415	(1,042)
Depreciation and amortization	6,062	5,090	972
Finance costs	2,854	2,485	369
EBITDA	**(11,860)**	**11,283**	**(23,143)**
Share-based compensation	3,844	5,258	(1,414)
Impairment expense	501	-	501
Adjusted loss from joint venture (1)	4,118	692	3,426
Unrealized gain on risk management contracts	-	(555)	555
Gain on sale of interest in subsidiary	-	(10,142)	10,142
Transaction costs	1,327	-	1,327
Management fee	-	(6,745)	6,745
Adjusted EBITDA(2)	**(2,070)**	**(209)**	**(1,861)**

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, impairments and other finance costs.

(2) To ensure consistency, the prior period Adjusted EBITDA 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)	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
Revenue	36,970	33,591	41,139	33,322
Adjusted EBITDA	(502)	(1,092)	944	(1,420)
Net income (loss)	(5,446)	(5,834)	(5,524)	(5,345)
Net income (loss) per share-Basic	(0.24)	(0.27)	(0.26)	(0.25)
Net income (loss) per share-Diluted	(0.24)	(0.27)	(0.26)	(0.25)
($000)	**Dec 31, 2023**	**Sep 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**
Revenue	37,390	46,141	39,132	38,499
Adjusted EBITDA	(207)	875	(348)	(529)
Net income (loss)	(5,066)	(1,986)	3,853	4,492
Net income (loss) per share-Basic	(0.25)	(0.09)	0.19	0.21
Net income (loss) per share-Diluted	(0.24)	(0.09)	0.18	0.21

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 largely 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 abnormally high due to the one-time management fee earned in the quarter. Net loss for the third quarter 2023 results were more in line with expectations. Net loss for the fourth quarter of 2023 is abnormally high due to the derecognition of $4.6 million in deferred tax assets. Net loss 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 the Company's Grande Cache facility. Net loss for the second, third, and fourth quarters of 2024 were lower than expectations due to the loss realized in the Colorado JV. Adjusted EBITDA for the first quarter of 2024 was again mostly impacted by the loss realized from the Colorado JV and the well workover as discussed above. Adjusted EBITDA for the second quarter of 2024 was more in line with expectations. Adjusted EBITDA for the third and fourth quarter of 2024 experienced strong results from the Water & Solids Recycling & Energy Product segment, however this was offset by realized losses from the Colorado JV. General economic and industry conditions have not substantially changed from the prior quarter.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company's Facility matures on July 31, 2025 and will not be extended beyond the maturity date, and as a result, the full balance of the outstanding Facility as at December 31, 2024 has been reclassified from long-term to current liabilities. As a result of the Company's going concern disclosure within the financial statements for the year ended December 31, 2024, and corresponding Audit Report, the Company, as of the date of this MD&A, is in default under the Facility. Under the Facility Agreement, the Facility lender will have the right to demand repayment and/or realize on the security at any time under the Facility. A copy of the Facility agreement was filed on September 8, 2023 under the Company's profile on SEDAR at sedarplus.ca. The Facility lender has been advised of the default, and the Company will be seeking to come to a constructive resolution with the Facility lender.

The working capital deficiency as of December 31, 2024 is $33.7 million. The Company is in the process of actively seeking alternatives to repay the Facility, including different financing options and the potential disposition of assets. As of the date of this MD&A, the Facility has not been replaced or repaid, and as disclosed above, the Facility lender has the right to demand repayment and/or realize on the security at any time under the Facility. As a result, there is material uncertainty and significant doubt that the Company will have access to sufficient capital within the next twelve months to service its current working capital deficit. These events and conditions form a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern.

As such, the Company's ability to continue as a going concern is dependent on reaching a constructive resolution from the Facility lender and obtaining additional external financings, which may include debt, equity, strategic partnership, or potentially asset dispositions.

This MD&A does not reflect the adjustments that might be necessary to the carrying amount of the reported assets, liabilities, expenses, and statement of financial position classifications used if the Company was unable to continue operation in accordance with this assumption. Such adjustments may be material.

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 December 31, 2024, GIP was in compliance with all debt covenants.

During the year ended December 31, 2024, the Company generated negative cash flow from operations. This was primarily due to a combination of increased salaries and wages to support the Company's strategic initiatives, including the Colorado JV, and the Company's continued focus on expanding its bioenergy production business. This shortfall primarily reflects the Company's continued investment in operational growth. As a result, cash flows from operations were not sufficient to fund all of the Company's operating and capital expenditure requirements in the year. The Company anticipates that this trend may continue in the near term, particularly as the Colorado JV works to remediate prior EPC-related challenges. In parallel, the Company is actively advancing the financial close of the FEP project, which, subject to closing, is expected to provide near-term liquidity.

To provide near-term liquidity to the Company, on April 29, 2025 and April 30, 2025, the Company issued notice to the Optionees to draw a total of $4.0 million under the Option Agreement. Under the terms of the Option Agreement, $2.0 million is required to be funded within 30 days of receipt of notice and $2.0 million is required to be funded within 60 days of receipt of notice. Please refer to Risks and Uncertainties below -

Risks Related to Insider Investment and Change of Control. There is a degree of uncertainty with respect to either counterparty's future performance under the agreement.

To continue to advance the FEP, the Company anticipates that $2.9 million will be required 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 as discussed above. Prior to incurring additional development costs or material construction costs for FEP, GIP will need to secure adequate sources of financing.

($000)	For The Three Months Ended December 31, 2024	 December 31, 2023	$ Change
Cash from (used in) operating activities	(108)	2,539	(2,647)
Cash from (used in) investing activities	(4,213)	(3,118)	(1,095)
Cash from (used in) financing activities	3,916	886	3,030
Impact of foreign currency translation on cash	(185)	13	(198)
Increase (decrease) in cash	**(590)**	**320**	**(910)**

($000)	For The Year Ended December 31, 2024	 December 31, 2023	$ Change
Cash from (used in) operating activities	(2,610)	8,219	(10,829)
Cash from (used in) investing activities	3,557	(17,772)	21,329
Cash from (used in) financing activities	(911)	8,363	(9,274)
Impact of foreign currency translation on cash	(74)	113	(187)
Increase (decrease) in cash	**(38)**	**(1,077)**	**1,039**

Operating Activities

Cash from operating activities for the three months and year ended December 31, 2024 have decreased by $2.6 million or 104% and $10.8 million or 132%, respectively, compared to the same periods in 2023. For the three-month period ended December 31, 2024, the decrease is due to changes in non-cash working capital with a substantial settlement of accounts payable with the receipt of the ITC proceeds from the Colorado JV in the second half of 2024. For the twelve-month period ended December 31, 2024, in conjunction with the discussion for the three-month period above, this decline is mainly due to a management fee received by the Company from the Colorado JV in 2023, with no similar fee in 2024, combined with changes in non-cash working capital period over period. In addition, in the second quarter of 2024, the Company incurred $0.1 million in asset retirement expenditures.

Investing Activities

Cash from (used in) investing activities for the three months ended December 31, 2024, have decreased by $1.1 million or 35%, compared to the same periods in 2023. For the three-month period ended December 31, 2024, this decrease is mainly due to lower capital additions in 2024 of $2.2 million, when compared to the same period in 2023 of $3.7 million, offset by a preferred equity contribution to the Colorado JV of $1.1 million in 2024. Cash from (used in) investing activities for the year ended December 31, 2024, have increased by $21.3 million or 120%, compared to the same periods in 2023. This increase is directly attributable to the distribution received from the Colorado JV in June 2024 for $17.8 million related to the sale of the ITCs, combined with lower capital spend period over period. This is offset slightly by the preferred equity contribution made to the Colorado JV for $3.1 million in the second and fourth quarters of 2024, $1.3 million in transaction costs directly related to the sale of the ITC's, and the net proceeds received from the sale of a 50% interest in the Colorado JV that occurred in the comparable period in the prior year.

Financing Activities

Cash from (used in) financing activities for the three months ended December 31, 2024, have increased by $3.0 million or 342%, compared to the same period in 2023. The increase is due to higher draws on the outstanding debt during the current period as compared to a lower draw on the debt in the comparable period, partially offset by the purchase of shares held in trust pursuant to the Company's long-term compensation plans in 2024. Cash from (used in) financing activities for the year ended December 31, 2024, have decreased by $9.3 million or 111%, compared to the same periods in 2023. The decrease in the year ended December 31, 2024, as compared to the same period in the prior year, was primarily a result of the $21.5 million in proceeds from the sale of the 50% interest in the Colorado JV in 2023 compared to $nil in 2024. Further, there was $3.5 million in funding under the Option Agreement, offset by the previously mentioned repayments of outstanding debt and acquisition of shares in 2024.

($000)	December 31, 2024	December 31, 2023	$ Change
Current assets	22,539	21,059	1,480
Current liabilities	(56,225)	(28,066)	(28,159)
Working capital surplus (deficit)	**(33,686)**	**(7,007)**	**(26,679)**

Current liabilities include the entire outstanding balance of the Facility, which matures on July 31, 2025.

Current liabilities also include $8.6 million related to liabilities associated with FEP 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 project 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. In addition, current liabilities also include $3.9 million related to drawn proceeds from the Option Agreement and associated interest. There are no required repurchases under the Option Agreement until certain events are met such as the financial close and FNTP on FEP or Iowa RNG or the sale of the Iowa project. Excluding these liabilities and the $2.4 million in deferred transaction costs disclosed in Note 7 of the consolidated annual financial statements, which are not an immediately available source of liquidity, the Company has a working capital deficit of approximately $23.5 million. As at December 31, 2024, there is also an undrawn balance of approximately $2.0 million from the Facility to cover obligations. As at the date of this MD&A, the Company has an approximate cash balance of $1.3 million and an undrawn balance from the Facility is $0.3 million. As a result of the default disclosed above, the Company may not continue to have access to the undrawn balance from the Facility.

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

(As at December 31, 2024 $000)	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
AP and accrued liabilities	**15,613**	15,613	-	-	-
Other current liabilities	**12,481**	12,481	-	-	-
Long-term debt	**28,577**	28,131	446	-	-
Other long-term liabilities	**2,123**	-	2,123	-	-
Lease liabilities	**930**	458	357	115	-
Total financial liabilities	**59,724**	**56,683**	**2,926**	**115**	**-**

As at December 31, 2023 ($000)	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
AP and accrued liabilities	**19,214**	19,214	-	-	-
Other current liabilities	**8,583**	8,583	-	-	-
Long-term debt	**28,528**	47	28,481	-	-
Other long-term liabilities	**2,001**	-	2,001	-	-
Lease liabilities	**658**	228	430	-	-
Total financial liabilities	**58,984**	**28,072**	**30,912**	-	-

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 to meet financial commitments and maintain the confidence of shareholders, creditors and the market; (iv) optimize the use of capital to provide an appropriate return on investment to shareholders; and (v) to repay the Facility which has a final maturity date of July 31, 2025.

As disclosed above, the Company requires additional capital from external financing sources, including funds available under the Option Agreement, debt, equity, strategic partnership, or potentially asset dispositions, to satisfy its current liabilities.

($000)	December 31, 2024	December 31, 2023
Current assets	22,539	21,059
Current liabilities	(56,225)	(28,066)
Long-term debt	446	28,945
Other long-term liabilities	2,123	2,001
Shareholders' equity	85,020	103,182
	53,903	**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 entered into the Option Agreement with 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.

On April 28, 2024 the Company entered into an amendment to the Option Agreement whereby one of the Optionees agreed to fund to the Company an additional $4.0 million (the "Additional Option").

In April 2025, the Company drew an additional $0.6 million under the Option Agreement. As of the date of this MD&A, $4.0 million has been drawn under the Option Agreement.

On April 29, 2025 and April 30, 2025, the Company issued notice to the Optionees to draw a total of $4.0 million under the Option Agreement. Under the terms of the Option Agreement, $2.0 million is required to be funded within 30 days of receipt of notice and $2.0 million is required to be funded within 60 days of receipt of notice. For further information on potential uncertainties with respect to either counterparty's future performance under the Option Agreement, refer to "Risks and Uncertainties - *Risks Related to Insider Investment and Change of Control*" section below.

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 FEP.

	At December 31, 2024
Proceeds from related party option agreement	3,450
Interest accrued	409
Total (included in other current liabilities)	**3,859**

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 December 31, 2024, mainly given the probability of being exercised was determined to be nil.

Wolverine

Wolverine Energy and Infrastructure Inc. ("Wolverine") owned approximately 18% of the issued and outstanding shares of the Company and was considered to be a related party of the Company.

On August 16, 2024, the Court of King's Bench of Alberta approved the transfer of Wolverine's shareholdings in the Company to an arm's length third party.

Key Management Personnel Compensation

	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Short-term compensation (1)	466	454	1,799	2,534
Share-based compensation (2)	-	1,198	982	4,288
	466	**1,652**	**2,781**	**6,822**

Notes*:*

(1) Short-term compensation includes annual salaries, management bonuses and employee benefits provided to key management personnel as well as directors' fees. There were no bonuses during the three months or year ended December 31, 2024.

(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 PSU's issued in July 2024 is based on a fair value of $3.25 and $3.41 per share.

Key management personnel short-term compensation and share-based compensation were higher for the year ended December 31, 2023, relative to the same period in December 31, 2024, as a result of short-term bonus payments and the granting of new performance share units and stock options in the first and fourth quarters of 2023.

CRITICAL ACCOUNTING ESTIMATES

In the preparation of the Company's annual 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 of the Company during the year ended December 31, 2024.

OUTSTANDING SHARE DATA

On April 30, 2025, the Company had the following common shares, stock options and share units outstanding:

Common shares	21,557,602
Stock options (vested and unvested)	1,182,279
Share units	1,159,019
	23,898,900

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. 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.

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 bioenergy projects. Prospective investors have a limited basis upon which to evaluate the Company's ability to achieve a principle business objective of developing bioenergy projects.

The Company experienced a loss from operations of $5.4 million ($4.7 million – 2023) for the year ended December 31, 2024. The Company incurred significant losses in connection with the development of its bioenergy projects within the Bioenergy Production segment. In addition, as a result of the EPC failures, the Colorado JV continues to operate at a loss. The Company expects its operating losses to continue until the EPC failures are corrected. 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 their corresponding effect on liquidity may have an impact on construction timelines. The Company cannot provide assurance when the Bioenergy Production segment will reach profitability or that the bioenergy 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, repay debt and to complete the planned development of bioenergy projects. The development of the bioenergy business depends upon the Company's ability to generate cash flow from operations, prevailing market conditions for bioenergy 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 or equity financing. If additional financing is raised by the issuance of common shares from treasury, Shareholders may suffer additional dilution. As of the date of this MD&A, the Facility has not been replaced or repaid, and as disclosed above, the Facility lender has the right to demand repayment and/or realize on the security at any time under the Facility. As a result, there is material uncertainty and significant doubt that the Company will have access to sufficient capital within the next twelve months to service its current working capital deficit. These events and conditions form a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern.

Relationships with Counterparties
The Company’s success may be substantially impacted by its ability to negotiate feedstock supply agreements with organic material suppliers (i.e., dairy manure and forestry products), arrange engineering, procurement and construction contracts to develop the Company’s projects, negotiate sale agreements for ITCs, PTC and other environmental attributes, and enter into offtake agreements with utilities, clean energy traders and customers to support clean energy projects under development, as the clean energy business is dependent on these suppliers, contractors, purchasers and offtake counterparties. For a number of reasons, a supplier may fail to supply materials or components that meet the clean energy business' requirements or to supply any at all. If the Company's clean energy business is not able to resolve these issues or obtain substitute sources for these materials in a timely manner or on terms acceptable to it, the clean energy business' ability to produce clean energy from such affected projects may be harmed, which could have a material adverse effect on its business and financial results.

Risks Arising from Co-Ownership
Certain projects and assets are currently, or may, in the future, be jointly owned. Co-ownership and joint ventures agreements, such as those with Amber Infrastructure, contain 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 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, the Company is dependent on third parties to fund cash calls of the Colorado JV. In the event such funding does not occur, there is a risk that the Colorado JV would be in default under certain project agreements. In addition, if certain events of default occur and are continuing under its joint venture agreement for the Colorado JV, 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.

Development and Operating Costs

The Company's financial outlook and performance is significantly affected by the cost of developing, sustaining, and operating clean energy projects. The development, design and construction process for clean energy projects is expected to range from approximately 24 to 48 months**.** This process includes identifying and assessing whether prospective feedstock sources and sites will satisfy the Company's investment criteria, including the net zero requirements and commercial viability. This extended development process requires the dedication of significant time and resources from management, with no certainty of success or recovery of expenses. Development and operating costs are affected by a number of factors including, but not limited to: development, adoption and success of new technologies; inflationary price pressure; changes in regulatory compliance costs; failure to maintain quality construction and manufacturing standards; access to feedstock; and supply chain disruptions, including access to skilled labour.

The Ability to Develop and Operate Clean Energy Projects

The Company's focus on the clean energy sector exposes the Company to risks related to the supply of and demand for clean energy, government incentives, the cost of capital expenditures, government regulation, international and regional events and economic conditions, and the acceptance of clean energy sources. The expectations of the operating performance of the Company's projects are based on assumptions and estimates made without the benefit of operating history. A number of other factors related to the development and operation of individual clean energy projects could adversely affect the Company's business, including: regulatory changes and government policy shifts by existing administrations or following changes in government that affect the demand for or supply of clean energy and the prices thereof, which could have a significant effect on the financial performance of clean energy projects and the number of potential projects with attractive economics; restrictions on fossil fuel-based energy use, cross-border economic activity, and development of new infrastructure can impact the Company's opportunities for continued growth; changes in energy commodity prices, such as natural gas and wholesale electricity prices, which could have a significant effect on revenues; changes in pipeline gas quality standards or other regulatory changes that may limit the ability to transport RNG and other bio-fuels on pipelines for delivery to third parties or increase the costs of processing RNG and other bio-fuels to allow for such deliveries; changes in the broader biogas (i.e., dairy and other feedstock) industry; substantial construction risks, including the risk of delay; operating risks and the effect of disruptions on the clean energy business, including the effects of the COVID-19 pandemic on the Company, the clean energy business' customers, suppliers, distributors and subcontractors; the need for substantially capital to complete projects, including more capital than initially budgeted, and exposure to liabilities as a result of unforeseen environmental, construction, technological or other complications; failures or delays in obtaining desired or necessary land rights, including ownership, leases or easements; a decrease in the availability, pricing and timeliness of delivery of feedstock and other raw materials and components, necessary for the projects to function; obtaining and keeping in good standing permits, authorizations and consents from local, provincial, state and federal governments; and the consent and authorization of local utilities or other energy development off-takers to ensure successful interconnection to end-users. Any of these factors could prevent the Company from completing or operating clean energy projects, or otherwise adversely affect the business, financial condition, and results of operations of the Company.

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.

Inflation
If the Company's development, operation or labor costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through corresponding increases in the costs of our products and services to our customers. The inability or failure to do so could harm the Company's business, financial condition and results of operations.

Reliance on Permits and Authorizations
The development and operation of water treatment and recycling and waste management facilities and clean energy projects requires the Company and/or its customers to obtain regulatory permits, authorizations, or other approvals. There is no assurance that regulatory authorities will provide such approvals, which could adversely affect the business, financial condition, and results of the Company's operations.

There can be no guarantee that the applicable authorities will issue these permits or authorizations. Should the authorities fail to issue the necessary permits or authorizations to the Company or its customers, the Company may be limited or prohibited from proceeding with its business plans as proposed and the business, financial condition and results operations of the Company may be materially adversely affected.

Operating Risks and Insurance
The Company and its businesses, partnerships, joint ventures, and projects are subject to risks associated with ownership and operation of facilities, such as, equipment defects, malfunctions, failures, explosions, fires, damage or loss from inclement weather, accidents, spills, the handling, blending and transportation of dangerous goods, natural disasters, and ITC recapture risk. These risks and hazards could expose the Company to substantial liability for personal injury, loss of life, business interruption, property damage or destruction, pollution, and other environmental and financial damages. Although the Company will obtain insurance against certain of these risks, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. No assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. In addition, the ITC tax insurance policy for the Colorado JV includes certain exclusions which have been guaranteed by the Company related to ITC recapture triggered events by certain transfers of ownership, actions of the insured companies, or foreclosure. If the Company incurs substantial liability and such damages are not covered by insurance or are in excess of policy limits, or if the Company incurs such liability at a time when it is not able to obtain liability insurance, the Company's business, results of operations and financial condition could be materially adversely affected.

Regulatory Risks
Clean energy and clean energy projects are subject to evolving regulatory requirements. Changes in regulatory requirements may require the clean energy business to incur substantial costs associated with compliance or alter certain aspects of its business plan or may adversely affect government incentives associated with using clean energy and developing clean energy projects. We cannot predict the nature of any future laws, regulations, interpretations or applications towards renewable energy policies, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on the clean energy business. Compliance with any such legislation may have a material adverse effect on the Company's business, financial condition, and results of operations. Management expects that the legislative and regulatory environment in the renewable energy industry globally will continue to positively develop but still be dynamic for the foreseeable future.

In addition, if current laws and regulations in jurisdictions internationally are not kept in force or if further environmental laws and regulations are not adopted in these jurisdictions as well as in other jurisdictions, demand for clean energy and clean energy projects may diminish. Public opinion can also exert a significant influence over the regulation of the renewable energy industry. A negative shift in the public's perception of the feasibility of clean energy projects or clean energy, could affect future legislation or regulations in jurisdictions around the world.

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
The Company maintains a significant level of indebtedness, primarily through the Facility, which could materially and adversely affect its financial condition and operations. As of the date of this MD&A, the Facility remains outstanding, and the lender has the right to demand repayment at any time or realize on the security provided under the Facility. The level of indebtedness may be significantly impacted by the acceleration of the outstanding loan, as the lender may require immediate repayment of the full amount upon the occurrence of certain events of default, such as a breach of financial covenants or failure to make scheduled payments. Such acceleration would intensify the Company’s liquidity challenges, potentially requiring the Company to curtail operations, liquidate assets, or seek creditor protection to manage its debt obligations.

The Company’s high level of indebtedness could adversely impact it in several 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 debt agreements governing the Facility contain financial and operational covenants, including requirements related to debt service ratios and operational performance metrics. Non-compliance with these covenants, whether due to insufficient cash flow, operational challenges, or other factors, could result in an event of default, which may trigger the acceleration of the Facility. Upon such an event, the lender has the right to demand immediate repayment of the full outstanding amount or realize on the security provided under the Facility, significantly increasing the Company’s liquidity constraints. As of the date of this MD&A, the Facility remains outstanding, and the lender may also demand repayment at any time, further exacerbating the risk of acceleration.

The Company’s ability to generate sufficient cash flow to meet its debt obligations depends on its financial condition, which may be influenced by factors beyond its control, such as volatility in energy markets, pricing for environmental attributes associated with renewable natural gas (RNG) and other biofuels, and general economic conditions. If the Company is unable to generate adequate cash flow from operations or secure additional borrowings, it may default under the agreements governing its indebtedness. Such a default, or the acceleration of the Facility, could force the Company to reduce or delay investments and capital expenditures, dispose of material assets, curtail operations, or seek creditor protection, any of which could have a material adverse effect on the Company’s business, financial condition, results of operations, and cash flows.

Variations in interest rates, particularly if the Facility is not repaid by its maturity date, could significantly increase the cost of servicing the Company’s variable-rate debt. Additionally, scheduled principal repayments and potential covenant breaches could result in substantial changes in the amount required to service debt, further straining the Company’s liquidity. An increase in debt service obligations could also negatively impact the market price of the Company’s common shares.

Debt Matters

The Company’s Facility matures on July 31, 2025. The Company requires additional capital from external financing sources, including debt, equity, strategic partnership, or potentially asset dispositions, to repay its Facility. There are no assurances that the Company will be able to access capital from external financing sources resulting in material uncertainty and significant doubt that the Company will have access to sufficient capital within the next twelve months to service its current working capital deficit. These events and conditions form a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern.

As such, the Company’s ability to continue as a going concern is dependent on obtaining additional external financings, including debt, equity, strategic partnership, or potentially asset dispositions.

The Company relies now and in the future on debt financing for some of its business activities, including capital and operating expenditures. The Company’s credit facilities may limit, among other things, its ability to incur additional debt, issue certain equity securities or enter into sale transactions. The Company is also required to maintain specified financial ratios and satisfy specified financial tests. The Company’s ability to meet these financial ratios and tests can be affected by events beyond its control. As a result of these covenants, the Company’s ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be restricted, and the Company may be prevented from engaging in transactions that might otherwise be considered beneficial.

A failure to comply with the obligations in the credit facility, including financial ratios and specified financial tests, could result in a default. If not cured or waived, such default would permit acceleration of the repayment of the relevant indebtedness as the respective lenders could elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit. If such lenders were to accelerate the repayment of outstanding borrowings, the Company may not have sufficient cash to repay balances owing which may permit the Company's creditors to realize upon collateral granted to secure the indebtedness. Even if the Company is able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to the Company.

Volatility of Market Price of the Company's Shares

The market price of the Company's Common Shares may be volatile, which may affect the ability of holders to sell the Company's Common Shares at an advantageous price. Market price fluctuations in the Company's Common Shares may be due to the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under the heading "Cautionary Note Regarding Forward-Looking Information". In addition, the market price for securities on stock exchanges, including the TSXV, may experience significant price and trading fluctuations, which are often unrelated or disproportionate to changes in operating performance or financial outlook.

Significant Shareholders

The Company has several substantial holders of its common shares. Each of the substantial holders of common shares could have a significant influence on the Company and their interests may not be aligned with other shareholders' interests. If any substantial holder of common shares were to dispose of a substantial number of its common shares, or if it were perceived that such sales have occurred or might occur, this could have a negative impact on the price of the common shares. Further, the failure of the substantial holders of common shares to dispose of common shares may result in a limited level of liquidity in daily trading of the Company's common shares. Significant shareholders may also be able to exercise considerable influence over any matter requiring shareholder approval in the future.

Reliance on Third-Party Reports for Project Financing and EBITDA Projections

As the Company is pursuing the development of bioenergy production facilities, it utilizes and anticipates utilizing third-party reports in connection with securing project financing and into construction. These reports, which may include engineering studies, environmental assessments, feasibility analysis, market forecasts, and other technical or economic evaluations, are prepared for the benefit of the Company and its financing and construction efforts. However, there are inherent risks associated with reliance on such reports.

Third-party reports are often based on assumptions, models, and projections that reflect certain conditions, timelines, and market factors. Actual results may differ materially from these projections due to unforeseen changes in economic conditions, project timelines, regulatory requirements, construction costs, market demand, or other variables. These reports are typically prepared at a specific point in time and may not account for subsequent developments or changes in project circumstances. As the project progresses, updated reports or assessments may be required, and any discrepancies between earlier and later evaluations could impact financing terms or lender confidence.

While the Company strives to engage reputable third-party experts, there is no assurance that the reports will be free from errors, omissions, or misinterpretations. Any inaccuracies could lead to delays or difficulties in securing financing or proceeding with construction. Additionally, the Company's reliance on third-party consultants and advisors introduces a degree of dependency. Any failure by these parties to deliver accurate or timely reports, or to update them as needed, could adversely affect the Company's ability to secure financing or meet project milestones. The assumptions in these reports are inherently uncertain and subject to external factors such as changes in government policy, environmental regulations, commodity prices, or technological advancements. Any deviation from the anticipated outcomes could materially impact the financial viability of the project and the Company's ability to achieve its objectives.

Given these risks, investors should be aware that reliance on third-party reports adds an element of uncertainty to the Company's project financing and construction timeline. Any material variance from the assumptions or timelines set out in such reports could have a significant adverse effect on the Company's financial condition, results of operations, and future prospects.

Force Majeure Events

The Company's operations, information systems and infrastructure may be vulnerable to substantial loss or damage, including the curtailment or suspension of our operations, as a result of certain disruptions, including natural disasters, forest fires, national emergencies, acts of war, acts of terrorism, technological attacks, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, the outbreak of disease or similar events, any of which may have a material adverse effect on our reputation, our business, financial conditions or operating results.

Legal Proceedings

The Company may be subject to legal and regulatory proceedings arising in the ordinary course of business. The Company evaluates its exposure to such proceedings and may establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. The outcomes of these legal matters cannot be predicted with certainty. Even in cases lacking merit, legal defense and settlement expenses can be substantial. If the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. While management of the Company intends to put in place certain plans and procedures to mitigate the risk of a material misstatement in the Company's financial reporting, a system of internal controls can provide only reasonable, not absolute, assurance that the objectives of the control system are met, no matter how well conceived or operated.

Forward-Looking Statements may Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices and global economies more broadly.

On October 7, 2023, Hamas infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on military targets and civilians. Following the attack, Israel's security cabinet declared war against Hamas and the military campaign has launched a series of responding attacks. The outcome of the conflict has the potential to have wide-ranging consequences on the world economy. The long-term impacts of the conflict remain uncertain.

Volatility in commodity prices may adversely affect the business, financial condition and results of operations. Reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, services.

The extent and duration of the current Russian-Ukrainian and Israel-Palestine conflicts and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on the Company, our stakeholders and counterparties on which we rely and transact with, may materialize and may have an adverse effect on our business, results of operation and financial condition.

United States of America Tariffs

In February 2025, the U.S. announced a 25% broad-based tariff on goods exported out of Canada into the United States, other than energy products (including oil and natural gas), which would be subject to a 10% tariff. In response, the Canadian government announced that it would impose a 25% tariff on $155 billion of goods imported from the U.S. The U.S. also announced a 25% tariff on goods imported from Mexico and a 10% tariff on goods imported from China. Prior to the U.S. tariffs on Canadian and Mexican goods becoming effecting, they were paused for a month pending further negotiations.

In March 2025, the U.S. went forward with the 25% tariffs on Canada and Mexico and increased the tariff on Chinese import to 20%. In response, Canada announced tariffs on more than $100 billion of American goods. Throughout the rest of March 2025, the U.S., Canada, Mexico, China, and the EU, began enacting retaliatory tariffs on goods.

In April 2025, the U.S. announced a 90-day delay on tariffs to countries that had to date, commenced trade negotiations (including Canada and Mexico), whilst increasing the tariffs on China.

These tariffs, and any changes to these tariffs or imposition of any new tariffs, taxes or import or export restrictions or prohibitions, could have a material adverse effect on the Canadian economy, and the Company. Furthermore, there is a risk that the tariffs imposed by the U.S. on other countries will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Company.

Global Financial Conditions

Global financial conditions, including changes in commodity and equity markets, remain volatile as investors react to changes in the global economy. Challenging market conditions and the health of the economy as a whole may have a material adverse effect on the Company's results of operations, financial condition and prospects. There can be no assurance that any risk management steps taken by the Company with the objective of mitigating the foregoing risks will avoid future loss due to the occurrence of such risks. As a result of global market conditions, the Company is subject to increased counterparty risk and liquidity risk.

The Company is exposed to various counterparty risks including, but not limited to: financial institutions that hold the cash of the Company or provide available funding to the Company; the insurance providers of the Company; suppliers, contractors, purchasers and offtake counterparties; and counterparties to hedge transactions. As a result, the cash of the Company may become exposed to credit-related losses in the event of non-performance by counterparties to these financial instruments. In the event that a counterparty fails to complete its obligations or in the event of the default or bankruptcy of a counterparty, the Company would bear the risk of loss of the amount expected to be received under these financial instruments.

The Company is also exposed to liquidity risk in the event our cash positions decline or become inaccessible for any reason, or additional financing is required to advance our projects or growth strategy and appropriate financing is unavailable, or changes in general economic conditions decrease demand. Any of these factors may impact the ability of the Company to obtain further equity-based funding, loans and other credit facilities in the future and, if obtained, on terms favorable to the Company. If additional volatility and market turmoil occur, the Company’s results of operations and planned growth could be adversely impacted.

Availability of Qualified Employees

The Company's ability to operate its business segments is dependent upon attracting and retaining skilled workers.

Shortages of experienced and skilled workers could have a material adverse effect on the Company by increasing labor costs, constraining growth, or the level of activity as a result of the inability to expand human resources of the Company or through the loss of existing employees to competitive businesses.

Competition

There are several other companies operating in each of the water and solids treatment and recycling and clean energy markets. The Company may not have the resources to compete with existing competitors or with any new competitors. Many of the Company's competitors have significantly larger personnel, financial and managerial resources than the Company. Moreover, as demand for clean energy increases, new companies may continue to enter the markets, and the influx of added competition will pose an increased risk to the clean energy business.

The Company faces competition both on the prices for the rights to develop clean energy projects and the sale of clean energy products, including RNG and ethanol. The Company faces competition from both conventional and clean energy companies in connection with the prices that the Company can obtain for the RNG and ethanol and sell into energy markets at market prices. The prices that these energy companies can offer are dependent on a variety of factors, including their fuel sources, transmission costs, capacity factor, technological advances and their operations and management. If these companies are able to offer their energy at lower prices, this will reduce the prices we are able to obtain in these markets, which could have a material adverse effect on our results of operations. Our competitors may also offer energy solutions at prices below cost, devote significant resources to competing with us or attempt to recruit our key personnel, any of which could improve their competitive positions. In addition, the technologies that we use may be rendered obsolete or uneconomic by technological advances, more efficient and cost-effective processes or entirely different approaches developed by one or more of our competitors or others.

Potential Reduction in Demand for Clean Energy

The success of the Company's clean energy business, specifically developing clean energy projects, largely depends upon the increased use and widespread adoption and demand of clean energy, including, in particular, RNG. Many factors will influence the widespread adoption of renewable energy and demand for renewable energy projects, including: cost-effectiveness of clean energy technologies as compared with conventional and competitive technologies; performance and reliability of clean energy products as compared with conventional and non-renewable products; fluctuations in economic and market conditions that impact the viability of conventional and competitive alternative energy sources; increases or decreases in the prices of feedstock and energy products, such as natural gas; and availability or effectiveness of government subsidies and incentives.

Compliance with Environmental Legislation

Environmental legislation imposes, among other things, restrictions, liabilities and obligations in connection with the generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances and gases to the environment. In addition, certain types of operations, including biogas installation projects, the potential construction related to FEP, and significant changes to certain existing projects, may require the submission and approval of environmental impact assessments. Compliance with environmental legislation can require significant expenditures and failure to comply with environmental legislation may result in the imposition of fines and penalties and liability for cleanup costs and damages. Changes in environmental legislation may require, among other things, reductions in emissions to the air from the Company's business' existing and target customers' operations and result in increased capital expenditures. Future changes in environmental legislation could occur and result in stricter standards and enforcement, fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on the ability of the Company and its business partners to enter into clean energy projects. The Company's clean energy business may suffer if environmental policies change and no longer encourage the development and growth of renewable based technologies.

Dependence on Intellectual Property

Failure to protect the Company's business's existing and future intellectual property rights could seriously harm its business and prospects and may result in the loss of its ability to exclude others from utilizing the Company's technology or the Company's own right to utilize its own technologies. If the Company does not adequately ensure its freedom to use certain technology, it may have to pay others for rights to use its own intellectual property, pay damages for infringement or misappropriation and/or be enjoined from using such intellectual property. As is the case in many other industries, the web of intellectual property ownership in the clean energy industry is complicated and, in some cases, it is difficult to define with precision where one property begins and another ends.

The Company seeks to protect its proprietary intellectual property, including intellectual property that may not be patented or patentable, and third-party intellectual property used by the Company in connection with its operations, in part by confidentiality agreements with its strategic partners and employees. There can be no assurance that these agreements will not be breached, that the Company will have adequate remedies for any breach or that such persons or institutions will not assert rights to intellectual property arising out of these relationships.

Certain intellectual property has been licensed to the Company from third parties who may also license such intellectual property to others, including the Company's competitors. If necessary or desirable, the Company may seek further licenses under the patents or other intellectual property rights of others. However, there can be no assurances that it will obtain such licenses or that the terms of any offered licenses will be acceptable to it. The failure to obtain or renew a license from a third party for intellectual property the Company uses at present could cause it to incur substantial costs and to suspend the manufacture, shipment of products or its use of processes requiring such intellectual property.

Trade Relations

The Canada, U.S., Mexico Trade Agreement ("CUSMA") came into effect on July 1, 2020. CUSMA supersedes the North American Free Trade Agreement and provide protection against tariffs, duties and or fees. The Company is focused on developing clean energy projects and has operating assets throughout Canada and the United States. Any disruption to the Company's ability to operate seamlessly throughout North America could have a material adverse effect on the Company’s reportable segments and the financial results of the Company.

Information Security

The Clean Energy Business has become increasingly dependent upon the development and maintenance of information technology systems that support the general operation of the business. Exposure of the Company's information technology infrastructure to external threats poses a risk to the security of these systems. Such cyber security threats include unauthorized access to information technology systems due to hacking, viruses and other deliberate or inadvertent causes that can result in service disruptions, system failures and the disclosure of confidential business information.

The Company applies risk management controls in line with industry accepted standards to protect the Company's information assets and systems; however, these controls may not adequately protect against cyber security breaches. There is no assurance that the Company will not suffer losses associated with cyber security breaches in the future, including with respect to negative effects on the Company's operational performance and earnings, the incurrence of regulatory penalties, reputational damage and costs required to investigate, mitigate and remediate any potential vulnerabilities.

Foreign Currency Risk

Some of the Company's current operations and related assets are located in the U.S. Risks of foreign operations include, but are not necessarily limited to, changes of laws affecting foreign ownership, government participation, taxation, royalties, duties, rates of exchange, inflation, repatriation of earnings, social unrest or civil war, acts of terrorism, extortion or armed conflict and uncertain political and economic conditions resulting in unfavorable government actions such as unfavorable legislation or regulation. While the impact of these factors cannot be accurately predicted, if any of these risks materialize, they could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Occupational Health and Safety and Accident Risks

The Company's business is subject to hazards of producing, gathering and processing hydrocarbon products which may give rise to personal injury, loss of life, disruption to service and economic loss. Some of the tasks undertaken by employees and contractors are inherently dangerous and have the potential to result in serious injury or death.

The Company is subject to laws and regulations governing health and safety matters, protecting both members of the public and their employees and contractors. Occupational health and safety legislation and regulations differ in each jurisdiction. Any breach of these obligations, or serious accidents involving the Company's employees, contractors or members of the public could expose the Company to adverse regulatory consequences, including the forfeit or suspension of operating licenses, potential litigation, claims for material financial compensation, reputational damage, fines or other legislative sanction, all of which have the potential to impact the Company's financial results.

The Company generally maintains insurance to mitigate costs associated with such events, but there can be no assurance that its insurance would be sufficient to cover liabilities it may suffer upon the occurrence of such events. Any such event not covered by the Company's insurance could have a material adverse effect on the Company's business, financial condition, and results of operations. No assurances can be given that the occurrence of any of such events or workers' health and safety issues relating thereto will not require unanticipated expenditures, or result in fines, penalties or other consequences material to the Company's business and operations.

Spread Between Renewable Fuel Prices and Feedstock Costs

The Company's gross margins are dependent on the spread between renewable fuel prices and feedstock costs, each of which may fluctuate to impact the Company’s margins. If there is a decrease in the spread between renewable fuel prices and feedstock costs, whether as a result of an increase in feedstock prices or as a result of a reduction in renewable fuel and credit prices, gross margins, cash flow and operations would be adversely affected. A decrease in the availability or an increase in the price of feedstocks may have a material adverse effect on the Company's financial condition and operating results. The price and availability of feedstocks and other raw materials may be influenced by general economic, market, environmental and regulatory factors.

Decommissioning, Abandonment and Reclamation Costs

The Company and its joint ventures are responsible for the expenses associated with decommissioning, abandonment and reclamation of certain assets at the end of their economic life, the costs of which may be substantial. Failure to comply with all laws and regulations regarding such obligations may result in the imposition of fines or penalties, including an order for the cessation of operations. It is not possible to predict these costs with certainty since they are a function of regulatory requirements at the time of decommissioning, abandonment and reclamation and the actual costs may exceed current estimates.

Non-Governmental Organization Activism and Eco-Terrorism
Activist groups or individuals may target the Company due to its industry, business practices, or perceived environmental impact and the Company may be subject to public opposition that could expose the Company to the risk of higher project costs, delays or even project cancellations due to increased pressure on governments and regulators by special interest groups. The Company could also face protests, blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support of federal, provincial or municipal governments and delays obtaining or challenges to regulatory permits. There is no guarantee that the Company will be able to satisfy the concerns of the special interest groups and non-governmental organizations and attempting to address such concerns may require the Company to incur significant and unanticipated capital and operating expenditures.

The energy industry has become a politically contested industry in Canada which can result in civil disobedience surrounding related developments and infrastructure projects. In addition, the Company's and its counterparties' properties, projects and facilities could be the subject of a terrorist attack. Eco-terrorist groups may target critical infrastructure or supply chains to protest against perceived environmental harm or to advocate for specific environmental causes. These attacks could lead to production delays, supply shortages, or increased costs and may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Global Climate Change
Shifting weather patterns and climate fluctuations have increased the unpredictability and occurrence of natural disasters in certain parts of the world, including the markets in which the Company operates and intends to operate. This trend has introduced further uncertainty regarding future developments. Moreover, there is growing concern that such climate changes may increase the frequency and severity of extreme weather events. The Company cannot predict whether or to what extent damage caused by natural events will affect the Company's operations or the economies in its current or future market areas. The heightened occurrence and severity of such weather events could adversely affect economic conditions in these areas and potentially diminish the value or even destroy the Company's assets.

Risks Related to Insider Investment and Change of Control
In 2024, the Company entered into Option Agreements with corporate entities controlled by certain directors to provide access to up to $10.0 million of capital at the Company’s sole discretion. As of the date of this MD&A, $4.0 million has been drawn on the Option Agreements. There is a degree of uncertainty with respect to either counterparty’s future performance under the agreement, which may impact the Company’s ability to access the committed capital if required. Particularly, one of the directors who exercised control over a counterparty has since passed away, resulting in a change of control of the entity that is party to an Option Agreement. Any disruption or delay in accessing these funds could adversely affect the Company’s liquidity position and its ability to execute on its bioenergy development strategy.

SUBSEQUENT EVENTS

Issuance of Performance Share Units
In January and February 2025, the Company issued a grant of performance share units valued at $0.3 million to board members for semi-annual board remuneration, and $0.3 million to certain employees, respectively, which are settled in cash and/or shares of the Company purchased on the secondary market and vest evenly on each of the three-year anniversaries from grant date.

Additional Draw on Option Agreement
In April 2025, the Company drew an additional $0.6 million under the Option Agreement.

Event of Default Under Facility

As at the date of the MD&A, as a result of the Company's going-concern disclosure within the financial statements for the year ended December 31, 2024, and corresponding Audit Report, the Company is now in default under the Facility. Under the Facility agreement, the Facility lender will have the right to demand repayment and/or realize on the security at any time under the Facility.