Green Impact Partners

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2025 and 2024

June 1, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2025 and 2024 is prepared as of June 1, 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 condensed consolidated interim financial statements as at and for the three months ended March 31, 2025 and 2024, and 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 ("IASB"). These consolidated financial statements and additional information relating to GIP are available on SEDAR+ at www.sedarplus.ca. The Company's shares are listed for trading on the TSX Venture Exchange under the symbol "GIP".

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" and "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Certain information and statements contained in this MD&A constitute forward-looking statements, including: the Company's plans, prospects and opportunities; expectations regarding future revenue, EBITDA and generation of free cash flow; the anticipated production, inputs, carbon capture, carbon impacts 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 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; negotiation of definitive documentation with the FEP lead equity partner; 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; anticipated acquisitions and divestitures including the closing of the Transaction (as defined below); the Company's ability to source additional capital from external financing sources, including funds available under the Option Agreement (as defined below), the Loan (as defined below), debt, equity, strategic partnership, or potentially asset dispositions; closing of definitive documentation for the Loan; the Company's ability to obtain a waiver of the event of default under the Facility (as defined below); the Company's ability to continue as a going concern; expectations concerning the financing of future business activities; 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; 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 are 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, and energy and commodity prices. Forward-looking statements concerning future economic and operating conditions are 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 ("Bioenergy Production"). The Company participates in a wide range of low-carbon opportunities during all stages of the project lifecycle – from idea generation through to operations. 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.

First Quarter Highlights

Key highlights and accomplishments for Q1 2025 and as of the date of this MD&A include:

Announced Sale of Water & Solids Recycling Facilities: In May 2025 the Company entered into a definitive agreement with a private, arm's-length party (the "Purchaser") for the sale of its water, waste treatment, and recycling facilities located in Alberta and Saskatchewan (the "Transaction"). The Transaction, valued at $53.8 million (the "Purchase Price"), is subject to additional closing and post closing payments and adjustments of working capital.

Executed Lead Equity Partner Term Sheet for the Future Energy Park: The Company has finalized a non-binding, equity term sheet with a global Japanese investment partner for the lead project equity investment in FEP. Closing is subject to obtaining final internal approvals, entering into definitive investment agreements, the close of project-level debt financing and other customary terms and conditions.

Additional Insider Investment: On May 14, 2025, the Company entered into a non-binding term sheet (the "Term Sheet") with a company controlled by the Company's Chief Executive Officer, to provide a $2.0 million subordinated secured term loan (the "Loan") to fund near term working capital of the Company. Funding under the Loan is subject to certain conditions, including negotiation of definitive documentation, and receiving required amendments to the Company's revolving credit facility (the "Facility"). The Company is currently advancing definitive documentation with respect to the Loan.

Board of Directors Resignation: On May 28, 2025, and May 29, 2025, David Spivak, and Natascha Kiernan, Jeff Hunter and Alicia Dubois, respectively, resigned from the Board of Directors of the Company.

Appointment of New Independent Directors of the Board: On May 30, 2025, the Company appointed two new independent directors to its Board of Directors:

Ahmed Kassongo joins the Board with over 20 years of leadership in finance, analytics, and investment management across both public and private sectors. He brings a strong track record of working with institutional investors and government bodies on complex financial strategies and data-driven policy.

During his tenure at Alberta Investment Management Corporation (AIMCo), Ahmed played a pivotal role in delivering transparent and actionable financial reporting and investment performance analysis for some of Canada's largest pension and endowment funds. His client-first approach strengthened alignment between investment outcomes and long-term strategic goals. Ahmed has advised the Government of Saskatchewan's Ministry of Energy and Resources on energy-sector policy development, contributing to evidence-based decision-making at the provincial level.

As GIP continues to scale, Ahmed's deep expertise in financial operations, reporting, and governance – along with his ability to navigate both regulatory and investment landscapes – will be a significant asset to the Board. Mr. Kassongo will serve as Chair of the Audit Committee of the Board of Directors.

Alex Langer is a public markets specialist with over 20 years of experience in equity financing across a range of sectors, including mining, pharmaceuticals, and green technology. Throughout his early career at Canaccord Genuity, he played a key role in funding more than 100 private and public companies. Alex was instrumental in the initial $100 million capitalization of GIP and remains a founding and supportive shareholder.

As Vice President of Capital Markets, Alex was a driving force behind the success of Millennial Lithium and Prime Mining, securing international financial backing and establishing key industry partnerships. He currently serves as Chief Executive Officer and President of Sierra Madre Gold & Silver, and as President of Li-FT Power, where he continues to apply his capital markets expertise to advance resource-focused companies. Mr. Langer will serve as Chair of the Board of Directors.

Operations, Project Construction and Development Updates

Water & Solids Recycling Facilities Sale

On May 21, 2025, the Company entered into a definitive agreement the Purchaser for the sale of its water, waste treatment, and recycling facilities located in Alberta and Saskatchewan for proceeds of $53.25 million subject to working capital adjustments. The Purchase Price shall be paid with $34.5 million in cash on close, and an $18.75 million promissory note (the "Note"). The Company has received confirmation of the Purchaser's financing for the cash payment due on close and is progressing closing of the Transaction, expected on or before June 30, 2025. The Transaction is conditional on the Purchaser closing financing and the satisfaction of other negotiated closing conditions, including receipt of final approval from the TSXV.

The TSXV has conditionally approved the Transaction subject to customary conditions for a transaction of this nature. Proceeds from the Transaction will be used to repay the Facility in full. In addition to the Purchase Price, the Purchaser has paid GIP an exclusivity fee of $500,000 (the "Exclusivity Fee") in respect of the Transaction until June 6, 2025, though the Exclusivity Fee is repayable by the Company under certain limited circumstances. If the agreement is terminated in certain circumstances, the Purchaser is obligated to pay GIP a termination fee of $5 million.

Payments are due monthly under the Note, which is non-interest bearing prior to maturity, commencing on the first day of the first month following close for a period of 24 months. The Purchaser has the option to prepay the Note prior to its maturity for a discount if prepayment occurs within 3 to 12 months of closing. Joint and several personal guarantees have been delivered by certain individuals associated with the Purchaser to guarantee the Purchaser's obligations under the Note and the termination fee.

As of the date of this MD&A, there are wildfires in the near vicinity of one of the Company's water, waste treatment, and recycling facilities (the "Swan Hills Facility"). On May 27, 2025, the Company ran a remote emergency shut of the Swan Hills Facility and provided notice of force majeure to its single customer at the Swan Hills Facility of the Company's inability to accept the customer's crude oil volumes. The Purchaser has been informed of the current situation. Should the Company suffer a loss at the Swan Hills Facility, there is risk to both the timing of close, and ultimate closing, of the Transaction.

Colorado Joint Venture

The Company received a Default Notice (the “Notice”) from US Infrastructure Investments Holdings LLC ("US Infra") in respect of the Seventh Amended and Restated Limited Liability Company Agreement ("LLCA") of GreenGas Colorado, LLC (“GGCO”), dated as of June 27, 2024. GGCO hold the Company’s renewable natural gas facility in Colorado.

The Notice alleges that the Company's subsidiary, Green Impact Partners U.S. Inc. (“GIPUS”), has committed a default under the LLCA and is attempting to exercise its alleged rights under the LLCA.

GIP is disputing the validity of the Notice and the actions and is actively assessing all potential remedies and resolutions available to GIPUS. At this time, it is not possible to predict the outcome or the timing of the dispute resolution process, which has not currently commenced.

Readers are cautioned that this is an evolving situation and there is no assurance that GIPUS will be successful in resolving this dispute on favourable terms, which could have a material adverse effect on the Company.

Future Energy Park

The Company continues to advance the debt and equity financing for its large-scale biofuels facility in Calgary, Alberta. The Company finalized a non-binding, equity term sheet with a global Japanese investment partner for the lead project equity investment in FEP. Closing is subject to obtaining final internal approvals, entering into definitive investment agreements, the close of project-level debt financing and other customary terms and conditions. Otherwise, the status of other financing efforts along with the status of all permits and material contracts including feedstock, offtake, engineering, procurement and construction and CO_2 sequestration remain unchanged from what was described in the Annual MD&A. In addition, there have been no changes to the guidance provided in the Annual MD&A related to expected capital costs, projected EBITDA, construction timing, and the status and quantum of the various tax credits and government incentive programs potentially available to the project.

In Q1 2025, the Company incurred approximately $1.4 million in costs (out of a total of approximately $40 million spent to date) to further advance FEP.

Iowa RNG Project

In the first quarter of 2025, the Company issued $0.2 million in promissory notes to an arm’s length third party in exchange for the third-party funding and executing activities intended to safe harbor potential investment tax credits that may be available if the Iowa RNG project is constructed. Under the terms of the promissory notes, the third party has been granted an exclusive option to acquire the Iowa RNG project. This option may be exercised at any time up to December 31, 2025, or, at the third party’s sole discretion, until January 31, 2026. Until the option is exercised or the Company is successful in securing a long-term offtake agreement, no additional capital will be allocated to this project.

New Zealand Green Hydrogen

The description and status of the Company’s green hydrogen opportunity in New Zealand as provided in the Annual MD&A remains materially consistent. There has been no additional spending in the first quarter of 2025 and Company continues to closely monitor its investment.

Material Policy Developments

As of the date of this M&DA, there is a material policy development other than those described in the Company's Annual MD&A:

US Reconciliation Bill

On May 22, 2025, the United States House of Representatives passed a US reconciliation bill, known as "One Big Beautiful Bill Act of 2025" (the "Bill"). The Bill, as drafted, proposes tax law changes that, if passed, would impact the Company's renewable energy projects. The Bill's most significant proposed changes that would have the potential to impact the Company's current and/or future biofuels projects include:

- An extension of time for a taxpayer to be eligible for clean fuel PTCs;
- Elimination of transferability of clean fuels PTCs being eliminated beginning in 2028; and
- Certain foreign supply chain and ownership restrictions on taxpayers seeking ITCs and PTCs.

FINANCIAL HIGHLIGHTS

($000) ***As at and for the three months ended***	**March 31, 2025**	**March 31, 2024**
Revenue	35,847	33,322
Gross margin	1,869	1,306
Income (loss) from operations	(1,606)	(2,213)
Net income (loss)	(5,673)	(5,345)
Comprehensive income (loss)	(5,626)	(4,725)
Funds from (used in) operations	(99)	(740)
Cash from (used in) operations	1,068	(255)
Purchase of property, plant and equipment	(2,689)	(1,597)
Total assets	169,477	191,775
Total liabilities	75,823	78,805

RESULTS OF OPERATIONS

Revenue

	For The Three Months Ended		
	March 31, 2025	**March 31, 2024**	**Change**
($000)			
Energy product optimization	31,265	28,292	2,973
Fee for service – Water treatment and disposal	2,697	2,923	(226)
Fee for service – Solids disposal and recycling	1,885	2,107	(222)
Total Revenue	**35,847**	**33,322**	**2,525**
Revenue Volumes:			
Energy product optimization (m^3)	54,616	53,203	1,413
Fee for service – Water treatment and disposal (m^3)	141,770	142,190	(420)
Fee for service – Solids disposal and recycling (tonnes)	17,850	24,264	(6,414)

Direct Costs

	For The Three Months Ended		
	March 31, 2025	**March 31, 2024**	**Change ($)**
($000)			
Energy product optimization	30,096	27,402	2,694
Fee for service	3,882	4,614	(732)
Total Direct Costs	**33,978**	**32,016**	**1,962**

Gross Profit

	For The Three Months Ended		
	March 31, 2025	March 31, 2024	Change ($)
($000)			
Energy product optimization	1,169	890	279
	3.7%	*3.1%*	*0.6%*
Fee for service	700	416	284
	15.3%	*8.3%*	*7.0%*
Total Gross Profit	**1,869**	**1,306**	**563**
	5.2%	*3.9%*	*1.3%*

Revenue increased by $2.5 million or 8% for the three months ended March 31, 2025, compared to the same period in 2024.

- The Company's energy product optimization services revenue for the three months ended March 31, 2025, increased $3.0 million or 11% compared to the same period in 2024. This change was primarily due to a 3% increase in volumes sold and a 3% increase in the weighted average price sold of $592.46/$m^3$ for the three months ended March 31, 2025, as compared to $573.20/$m^3$ for the same period in 2024.
- Fee for service revenue for the three months ended March 31, 2025, decreased $0.5 million or 9%, compared to the same period in 2024 primarily due to a decrease in water treatment and disposal revenue of 8%. This decrease was realized despite consistent volumes processed due to a lower value for the product mix of volumes processed in the three months ended March 31, 2025, as compared to the same period in 2024. Furthermore, there was a decrease in the solid's disposal and recycling revenue of 11% resulting from a reduction in volumes processed of 26%. The disproportionate change in revenue relative to the volume variance was 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 27% decrease in volumes. However, 22% of solids revenue is attributable to this facility while it comprises 96% of the overall volume for the segment. Therefore, the impact of this volume decrease did not result in a corresponding decrease to revenue. Meanwhile, the other solids disposal and recycling site, which accounts for 78% of the solid's revenue with only 4% of the overall volume contribution, experienced a 22% decrease in volume and a 9% 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 increased by $2.0 million or 6% for the three months ended March 31, 2025, compared to the same period in 2024.

- Energy product optimization services direct costs increased $2.7 million or 10% compared to the same period in 2024, for the same reasons discussed in the revenue commentary above, with the volume purchased increasing 1% combined with a 4% increase in the weighted average price of oil acquired from producers to be optimized, shipped and sold, which was $566.14/$m^3$ for the three months ended March 31, 2025, as compared to $546.43/$m^3$ for the same period in 2024.
- Fee for service direct costs decrease $0.7 million or 16%, compared to the same period in 2024. The decrease in direct costs would have been smaller and more aligned with the revenue decrease as noted above, however a disposal well workover required during the first quarter of 2024 at the Company's Grande Cache facility, resulted in abnormally high direct costs for the comparable period in 2024. This workover amounted to approximately $0.7 million and was recorded within direct costs for the three months ended March 31, 2024. The workover was completed, and the well was put back into full operation in January 2024.

Gross profit for the three months ended March 31, 2025, increased by $0.6 million, or 1.3% in absolute terms, compared to the same period in 2023.

- Energy product optimization services gross profit percentage has improved by 0.6% in absolute terms compared to the prior period, this improved profitability is a result of a number of factors but most significantly the increase in high margin skim oil volumes quarter-over-quarter.
- Fee for service gross profit percentage has increased by 7.0% 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.

Operating Expenses

	For The Three Months Ended		
($000)	March 31, 2025	March 31, 2024	$ Change
Depreciation and amortization	1,528	1,488	40
Salaries and wages	1,196	1,031	165
Selling, general and administration	751	1,000	(249)
Total Operating Expenses	**3,475**	**3,519**	**(44)**

Operating expenses for the three months ended March 31, 2025, remained consistent with the comparable period of 2024.

Depreciation and amortization for the three months ended March 31, 2025, remained consistent compared to the same periods in 2024.

Salaries and wages for the three months ended March 31, 2025, have increased by $0.2 million or 16%, compared to the same periods in 2024. This increase is result of salary adjustments that became effective in July 2024.

Selling, general and administrative expenses, including the following items: rental costs; vehicle costs; insurance expenses; office costs; advertising and promotion; and professional and consulting fees, for the three months ended March 31, 2025, have decreased by $0.3 million or 25%, compared to the same periods in 2024. This decrease is due to a corporate wide focus on reduction in selling, general and administrative expenses.

Non-Operating Expenses (Income)

	For The Three Months Ended		
($000)	March 31, 2025	March 31, 2024	$ Change
Finance costs	649	691	(42)
Share-based compensation	806	905	(99)
Equity (earnings) loss from joint venture	2,543	1,669	874
Bad debt expense	79	-	79
Unrealized (gain) loss on foreign exchange	36	(235)	271
Realized (gain) loss on foreign exchange	(60)	15	(75)
Total Non-operating Expenses (Income)	**4,053**	**3,045**	**1,008**

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 March 31, 2025, decreased by 6% due primarily to lower average interest rates period over period.

Share-based Compensation

Share-based compensation costs for the for the three months ended March 31, 2025, have decreased by $0.1 million or 1%, compared to the same periods in 2024. 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.

Equity (Earnings) Loss from Joint Venture

Equity (Earnings) Loss from Joint Venture, for the for the three months ended March 31, 2025, have increased by $0.9 million or 52%, compared to the same periods in 2024. This is due to the continued operational issues at the facility as previously disclosed in the Annual MD&A.

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.

($000)	For The Three Months Ended March 31, 2025	March 31, 2024	$ Change
Net income (loss)	(5,673)	(5,345)	(328)
Income tax expense (recovery)	14	87	(73)
Depreciation and amortization	1,528	1,488	40
Finance costs	649	691	(42)
EBITDA	**(3,482)**	**(3,079)**	**(403)**
Share-based compensation	806	905	(99)
Bad debt expense	79	-	79
Adjusted loss from joint venture (1)	835	754	81
Adjusted EBITDA	**(1,762)**	**(1,420)**	**(342)**

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.

SUMMARY OF QUARTERLY RESULTS

($000)	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024
Revenue	35,847	36,970	33,591	41,139
Adjusted EBITDA	(1,762)	(502)	(1,092)	944
Net income (loss)	(5,673)	(5,446)	(5,834)	(5,524)
Net income (loss) per share-Basic	(0.26)	(0.24)	(0.27)	(0.26)
Net income (loss) per share-Diluted	(0.26)	(0.24)	(0.27)	(0.26)
($000)	**Mar 31, 2024**	**Dec 31, 2023**	**Sep 30, 2023**	**Jun 30, 2023**
Revenue	33,322	37,390	46,141	39,132
Adjusted EBITDA	(1,420)	(207)	875	(348)
Net income (loss)	(5,345)	(5,066)	(1,986)	3,853
Net income (loss) per share-Basic	(0.25)	(0.25)	(0.09)	0.19
Net income (loss) per share-Diluted	(0.25)	(0.24)	(0.09)	0.18

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 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, as well as the first quarter of 2025, were lower than expectations due to the loss realized in the Colorado JV. Adjusted EBITDA for the second quarter of 2024 was more in line with expectations. Adjusted EBITDA for the third and fourth quarter of 2024, as well as the first quarter of 2025, 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 Facility matures on July 31, 2025 and will not be extended beyond the maturity date. Accordingly, the full outstanding balance of the 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 consolidated annual financial statements for the year ended December 31, 2024, and corresponding Audit Report, the Company, as of the date of the Annual MD&A, was in default under the Facility. Under the

Facility Agreement, the Facility lender had the right to demand repayment and/or realize on the security at any time under the Facility. The Company is working with the Facility lender on an amendment to waive the current default under the Facility, subject to certain covenants and conditions, to June 30, 2025, at which time the Company expects to close the Transaction and repay the Facility in full. A copy of the Facility agreement was filed on September 8, 2023 under the Company's profile on SEDAR+ at sedarplus.ca.

The working capital deficiency as of March 31, 2025 is $37.5 million. The Company requires additional capital to both repay the Facility and execute on its growth strategy. As discussed in more detail above and below in Subsequent Events, subject to closing the Transaction with respect to the sale of the Company's water, waste treatment, and recycling facilities located in Alberta and Saskatchewan, a portion of these proceeds would be used to settle the Facility in full. The Company has received confirmation of the Purchaser's financing for the cash payment due on close and is progressing closing of the Transaction, expected on or before June 30, 2025. As the Transaction remains subject to certain conditions, a failure to close could have a material adverse effect on the Company's financial condition, including its ability to continue as a going concern.

GIP is required to maintain certain financial covenants associated with its Facility, which includes maintaining a debt to tangible net worth of less than 3.00:1.00 along with a minimum tangible net worth of $81.8 million 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. The cash flow coverage ratio is only tested annually at each year end for the fiscal period. As at March 31, 2025, the Company is not in compliance with the minimum $81.8 million tangible net worth covenant.

To provide near-term liquidity, 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. As at the date of this MD&A, the Company has not received the funding that was required to be made by May 30, 2025. The Company is currently in discussions with the Optionee regarding certain amendments to the agreement, including the possibility of the funding to be converted to subordinated debt. Please refer to "*Risks and Uncertainties - Risks Related to Insider Investment and Change of Control*" below.

To further enhance liquidity, on May 14, 2025, the Company entered into a $2.0 million Term Sheet with a company controlled by the CEO to fund near term working capital of the Company. Please refer to "*Subsequent Events*" below.

To continue to advance the FEP, the Company anticipates that approximately $2.4 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.

	For The Three Months Ended		
($000)	**March 31, 2025**	**March 31, 2024**	**$ Change**
Cash from (used in) operating activities	1,068	(255)	1,323
Cash from (used in) investing activities	(3,005)	(2,358)	(647)
Cash from (used in) financing activities	1,442	2,891	(1,449)
Impact of foreign currency translation on cash	(28)	86	(114)
Increase (decrease) in cash	**(523)**	**364**	**(887)**

Operating Activities

Cash from operating activities for the three months ended March 31, 2025, have increased by $1.3 million or 519%, compared to the same periods in 2024. The increase is due to a combination of higher income from operations and positive changes in non-cash working capital with lower settlements of accounts payable in the current period.

Investing Activities

Cash from (used in) investing activities for the three months ended March 31, 2025, has decreased by $0.7 million or 27%, compared to the same periods in 2024. This decrease is due a preferred equity contribution to the Colorado JV of $0.7 million during the current period coupled with lower additions to property, plant and equipment in the first three months of 2025 compared to the same period in 2024.

Financing Activities

Cash from (used in) financing activities for the three months ended March 31, 2025, has decreased by $1.5 million or 101%, compared to the same periods in 2024. The primary reason for the change was the draw on the related party option agreement of $3.0 million in the comparable period, partially offset by higher draws from the Company's credit facility period over period.

($000)	March 31, 2025	December 31, 2024	$ Change
Current assets	21,525	22,539	(1,014)
Current liabilities	59,014	56,225	2,789
Working capital surplus (deficit)	**(37,489)**	**(33,686)**	**(3,803)**

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

Current liabilities also include $8.1 million related to liabilities associated with FEP 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 $4.0 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 5 of the condensed consolidated interim financial statements, which are not an immediately available source of liquidity, the Company has a working capital deficit of approximately $27.8 million. As at March 31, 2025, there is also an undrawn balance of approximately $0.5 million from the Facility to cover obligations. As at the date of this MD&A, the Company has an approximate cash balance of $1.5 million and an undrawn balance from the Facility is $0.2 million. As a result of the default disclosed above, the Company does not expect to have access to the undrawn balance from the Facility.

The following are undiscounted contractual maturities of financial liabilities, including estimated interest at March 31, 2025:

(As at March 31, 2025 $000)	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
AP and accrued liabilities	**16,696**	16,696	-	-	-
Other current liabilities	**12,395**	12,395	-	-	-
Long-term debt	**30,296**	29,923	373	-	-
Other long-term liabilities	**2,632**	-	2,632	-	-
Lease liabilities	**859**	431	332	96	-
Total financial liabilities	**62,878**	**59,445**	**3,337**	**96**	**-**

Capital Management and Resources

The Company's objectives when managing capital are to: (i) repay the Facility which has a final maturity date of July 31, 2025, or earlier should the Facility lender exercise its right to demand repayment; (ii) monitor forecasted and actual cash flows from operating, financing and investing activities; (iii) ensure the Company has the financial capacity to execute on its strategy to increase market share through organic growth or strategic acquisitions; (iv) maintain financial flexibility to meet financial commitments and maintain the confidence of shareholders, creditors and the market; and (v) optimize the use of capital to provide an appropriate return on investment to shareholders.

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)	March 31, 2025	December 31, 2024
Current assets	21,525	22,539
Current liabilities	(59,014)	(56,225)
Long-term debt	373	446
Other long-term liabilities	2,632	2,123
Shareholders’ equity	80,189	85,020
	45,705	**53,903**

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 an agreement (the “Option Agreement”) with corporate entities controlled by certain current and former directors of the Corporation (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 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.

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. As at the date of this MD&A, the Company has not received the funding that was required to be made by May 30, 2025. The Company is currently in discussions with the Optionee regarding certain amendments to the agreement, including the possibility of the funding to be converted to subordinated debt. Please refer to "*Risks and Uncertainties - Risks Related to Insider Investment and Change of Control*" below.

	March 31, 2025
Proceeds from related party option agreement	3,450
Interest accrued	539
Total (included in other current liabilities)	**3,989**

On April 11, 2025, the Company drew an additional $0.6 million under the Option Agreement. The Option is classified as a financial liability that is measured at fair value through profit and loss upon issuance and at each subsequent reporting period. The fair value of the Option was determined to be nil on March 31, 2025, mainly given the probability of being exercised was determined to be nil.

As disclosed above, on May 14, 2025, the Company has entered into a Term Sheet that would waive $2.0 million in funding under the Option Agreement.

Key Management Personnel Compensation

	Three Months Ended	
	March 31, 2025	March 31, 2024
Short-term compensation (1)	582	421
Share-based compensation (2)	579	-
	1,161	**421**

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 ended March 31, 2025 or 2024. There was an additional member added to the executive officer in January 2025.*

(2) *Based on the grant date fair value of the applicable awards. The total share-based payment of PSU's issued in January 2025 is based on a fair value of $3.55. The total share-based payment of PSU's issued in February 2025 is based on a fair value of $4.70.*

Key management personnel short-term compensation was higher for the three months ended March 31, 2025, relative to the same period in 2024, as a result of the addition of a member to the executive officers in January 2025. Key management personnel share-based compensation was higher the three months ended March 31, 2025, relative to the same period in 2024, due to the issuance of PSUs to the board and to the new member of the executive officers.

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 three months ended March 31, 2025.

OUTSTANDING SHARE DATA

On June 1, 2025, the Company had the following common shares, stock options and share units outstanding:

Common shares	21,607,149
Stock options (vested and unvested)	1,182,279
Share units	1,094,166
	23,883,594

RISKS AND UNCERTAINTIES

Due to the nature of the Company's business, the legal and economic climate in which it operates and its present stage of development, the Company's business segments are subject to significant risks. The following information describes certain significant risks and uncertainties inherent in the Company's business that are the most material and relevant to the Company's current operating and financial condition as at the date of this MD&A. For a discussion on additional risk factors please refer to the "**Risks and Uncertainties**" section of the Company's annual MD&A for the years ended December 31, 2024 and 2023, which describes certain additional significant risks and uncertainties inherent in the Company's business. This section and the Risks and Uncertainties section of the annual MD&A do not describe all risks applicable to the Company, our industry or our business, and is intended only as a summary of certain material risks. If any of such risks or uncertainties actually materializes, the Company's business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this MD&A and the annual MD&A.

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

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

The Company experienced a loss from operations of $1.6 million ($2.2 million – 2024) for the three months ended March 31, 2025. 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 biofuels, 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 which may cast significant doubt as to whether the Company will have access to sufficient capital within the next twelve months to service its current working capital deficit and continue as a going concern.

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. 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.

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 Bioenergy Production 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.

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.

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. The Facility must be repaid by July 31, 2025, or earlier as the Company is currently in default under the Facility and as a result, the lender has the right to demand repayment at any time or realize on the security provided under the Facility. 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. The Company is currently in default under the Facility, , which may trigger the acceleration of the Facility. Upon such an event, the lender has the right to demand 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, or earlier if the Facility lender exercises its right to demand repayment of the Facility as a result of the existing event of default. The Company requires additional capital from external financing sources, including potential asset dispositions such as the proposed Transaction, debt, equity, or strategic partnership, to repay its Facility. There are no assurances that the Company will be able to access capital from external financing sources, therefore giving rise to material uncertainty which may cast significant doubt as to whether the Company will have access to sufficient capital within the next twelve months to service its current working capital deficit. 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 currently relies and may in the future continue to rely 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.

The Company is currently in default under its Facility and the Facility lender has the right to accelerate the repayment of outstanding borrowings. If not cured or waived, 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.

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 material adverse effect on the Company's financial condition, results of operations, and future prospects.

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.

Risks Associated with Closing the Transaction
As the Transaction is conditional upon the Purchaser obtaining financing to pay the cash portion of the Purchase Price, the Transaction involves material uncertainties, and there are no assurances that it will close. Given the Company's limited cash balances and liquidity, a failure to close could have a material adverse effect on the Company's financial condition, including the ability to operate as a going concern. Please see Note 2(c) of the Company's audited annual consolidated financial statements for the years ended December 31, 2024 and 2023 as available on SEDAR+ (www.sedarplus.ca) for further disclosure in this regard.

Risks Related to the Related Party Term Sheet
There is no assurance that the funding conditions in respect of the Term Sheet described in Note 18 of the condensed consolidated interim financial statements and below in subsequent events will be satisfied, in which case the above-noted risks related to the Company's financial condition will continue to exist.

SUBSEQUENT EVENTS

a) Additional Draw on Option Agreement

On April 11, 2025, the Company drew an additional $0.6 million 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. As at the date of this MD&A, the Company has not received the funding that was required to be made by May 30, 2025. The Company is currently in discussions with the Optionee regarding certain amendments to the agreement, including the possibility of the funding to be converted to subordinated debt.

b) Execution of Definitive Agreement for the Sale of Water, Waste Treatment and Recycling Facilities in Alberta and Saskatchewan

On May 21, 2025, the Company entered into a definitive agreement with a private, arm's-length party for the sale of its water, waste treatment, and recycling facilities located in Alberta and Saskatchewan for proceeds of $53.25 million subject to working capital adjustments. The Purchase Price shall be paid with $34.5 million in cash on close, and an $18.75 million promissory note. The Company has received confirmation of the Purchaser's financing for the cash payment due on close and is progressing closing of the Transaction, expected on or before June 30, 2025. The Transaction is is conditional on the Purchaser closing financing and the satisfaction of other negotiated closing conditions, including receipt of final approval from the TSXV.

The TSXV has conditionally approved the Transaction subject to customary conditions for a transaction of this nature. Proceeds from the Transaction will be used to repay the Company's revolving credit facility in full. In addition to the Purchase Price, the Purchaser has paid GIP an exclusivity fee of $500,000 in respect of the Transaction until June 6, 2025.

Payments are due monthly under the Note, which is non-interest bearing prior to maturity, commencing on the first day of the first month following close for a period of 24 months. The Purchaser has the option to prepay the Note prior to its maturity for a discount if prepayment occurs within three to 12 months of closing. The Exclusivity Fee is repayable by the Company under certain limited circumstances. If the Agreement is terminated in certain circumstances, the Purchaser is obligated to pay GIP a termination fee of $5 million. Joint and several personal guarantees have been delivered by certain individuals associated with the Purchaser to guarantee the Purchaser's obligations under the Note and the termination fee.

As disclosed above, there are wildfires in the near vicinity of one of the Company's water, waste treatment, and recycling facilities (the "Swan Hills Facility"). On May 27, 2025, the Company ran a remote emergency shut of the Swan Hills Facility and provided notice of force majeure to its single customer at the Swan Hills Facility of the Company's inability to accept the customer's crude oil volumes. The Purchaser has been informed of the current situation. Should the Company suffer a loss at the Swan Hills Facility, there is risk to both the timing of close, and ultimate closing, of the Transaction.

c) Related Party Funding

The Company has entered into a Term Sheet with a company controlled by the Company's Chief Executive Officer, to provide a Loan to fund near term working capital of the Company. Funding under the Loan is subject to certain conditions, including negotiation of definitive documentation, and receiving required amendments to the Facility. The Loan will be for a principal amount of $2.0 million (with $1.5 million funded on closing of the Loan agreement and $0.5 million subject to future draw down). In addition, $2.0 million in funding under the Option would be waived. The Company is currently advancing definitive documentation with respect to the Loan.

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