



# **GREEN IMPACT PARTNERS INC.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
For the Three and Nine Months Ended September 30, 2021 and 2020  
(UNAUDITED)

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#### REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the consolidated interim financial statements, the financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Green Impact Partners Inc. have been prepared by management and are the responsibility of management.

Green Impact Partners Inc.'s independent auditor has not performed a review of the accompanying unaudited condensed consolidated interim financial statements in accordance with the standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

**GREEN IMPACT PARTNERS INC.**

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020

*(Unaudited)**Thousands of Canadian dollars*

	Note	September 30, 2021	December 31, 2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		27,162	2
Trade and other receivables	5	13,549	9,665
Inventory		1,133	893
Other current assets		923	579
<b>Total Current Assets</b>		<b>42,767</b>	<b>11,139</b>
Property, plant and equipment	6	112,502	71,554
Long-term investments	7	2,703	-
Intangible assets	8	1,859	97
Goodwill	4	2,369	-
<b>Total Assets</b>		<b>162,200</b>	<b>82,790</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	9	19,180	10,246
Current portion of long-term debt	10	220	1,830
<b>Total Current Liabilities</b>		<b>19,400</b>	<b>12,076</b>
Long-term debt	10	266	24,484
Asset retirement obligation	11	13,317	15,644
Deferred income tax liability	14	5,193	5,135
<b>Total Liabilities</b>		<b>38,176</b>	<b>57,339</b>
<b>Shareholders' Equity</b>			
Net parent investment	12	-	22,896
Share capital	12	112,998	-
Accumulated other comprehensive income		436	-
Retained earnings (deficit)		(1,169)	2,555
<b>Total Shareholder's Equity</b>		<b>112,265</b>	<b>25,451</b>
Non-controlling interests	13	11,759	-
<b>Total Liabilities and Shareholders' Equity</b>		<b>162,200</b>	<b>82,790</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Approved by the Board of Directors of Green Impact Partners Inc.

(signed) "Geeta Sankappanavar"

**GEETA SANKAPPANAVAR, DIRECTOR**

(signed) "Jesse Douglas"

**JESSE DOUGLAS, DIRECTOR & CHIEF  
EXECUTIVE OFFICER**

**GREEN IMPACT PARTNERS INC.**CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS  
FOR THE THREE AND NINE MONTHS SEPTEMBER 30, 2021 AND 2020*(Unaudited)**Thousands of Canadian dollars, except per share amounts*

	Note	Three Months Ended		Nine Months Ended	
		2021	2020	2021	2020
Revenue		35,395	23,720	90,249	71,906
Direct costs		33,706	22,329	85,406	67,868
<b>Gross Margin</b>		<b>1,689</b>	<b>1,391</b>	<b>4,843</b>	<b>4,038</b>
<b>Operating Expenses</b>					
Depreciation and amortization		1,860	1,122	4,021	3,133
Salaries and wages		525	94	1,464	418
Selling, general and administration		534	471	1,245	1,889
		<b>2,919</b>	<b>1,687</b>	<b>6,730</b>	<b>5,440</b>
<b>Loss from Operations</b>		<b>(1,230)</b>	<b>(296)</b>	<b>(1,887)</b>	<b>(1,402)</b>
<b>Non-Operating Expense (Income)</b>					
Listing expense	1	-	-	2,523	-
Finance costs	15	45	495	915	1,488
Loss on disposal of equipment		-	-	-	52
Unrealized (gain) on foreign exchange		(21)	-	(21)	-
Realized loss on foreign exchange		23	-	23	-
Gain on debt forgiveness	10	-	-	(257)	-
		<b>47</b>	<b>495</b>	<b>3,183</b>	<b>1,540</b>
<b>Loss Before Income Tax</b>		<b>(1,277)</b>	<b>(791)</b>	<b>(5,070)</b>	<b>(2,942)</b>
<b>Income Tax</b>					
Current tax recovery		-	-	-	(163)
Deferred tax recovery		(675)	(198)	(1,463)	(424)
		<b>(675)</b>	<b>(198)</b>	<b>(1,463)</b>	<b>(587)</b>
<b>Net Loss</b>		<b>(602)</b>	<b>(593)</b>	<b>(3,607)</b>	<b>(2,355)</b>
<b>Net loss Attributable to:</b>					
Shareholders of the Company		(604)	(593)	(3,724)	(2,355)
Non-controlling interest		2	-	117	-
		<b>(602)</b>	<b>(593)</b>	<b>(3,607)</b>	<b>(2,355)</b>
Currency translation adjustment		345	-	436	-
<b>Comprehensive loss</b>		<b>(257)</b>	<b>(593)</b>	<b>(3,171)</b>	<b>(2,355)</b>
<b>Comprehensive Loss Attributable to:</b>					
Shareholders of the Company		(284)	(593)	(3,331)	(2,355)
Non-controlling interest		27	-	160	-
		<b>(257)</b>	<b>(593)</b>	<b>(3,171)</b>	<b>(2,355)</b>
<b>Net Loss per Common Share</b>					
Basic and diluted		(0.03)	(0.06)	(0.24)	(0.23)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**GREEN IMPACT PARTNERS INC.**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020*(Unaudited)**Thousands of Canadian dollars*

		2021	2020
<b>OPERATING ACTIVITIES</b>			
Net loss including non-controlling interest		(3,607)	(2,355)
Items not affecting cash:			
Depreciation and amortization		4,021	3,133
Finance Costs		915	1,488
Deferred tax recovery		(1,463)	(424)
Gain on debt forgiveness		(257)	-
Non-cash portion of listing expense		2,346	-
<b>Funds from operations</b>		<b>1,955</b>	<b>1,842</b>
Asset retirement expenditures	11	(591)	-
Changes in non-cash working capital		4,466	6,846
<b>Cash from operations</b>		<b>5,830</b>	<b>8,688</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	6	(15,134)	(587)
Settlement of assumed liabilities	13	(2,976)	-
Acquisition of long-term investment	7	(2,703)	-
Loss on disposal of property, plant and equipment		-	52
<b>Cash used in investing activities</b>		<b>(20,813)</b>	<b>(535)</b>
<b>FINANCING ACTIVITIES</b>			
Subscription receipts exchanged for cash		100,000	-
Share issue costs before tax effect		(8,909)	-
Repayment of debt		(278)	(581)
Interest on long-term debt		(712)	(1,227)
Settlement of promissory note to parent, net of cash assumed		(49,815)	-
Sale of negative working capital to parent		50	-
Change in net parent investment		1,837	(4,958)
Treasury shares acquired	12	(1,296)	-
Funds received from non-controlling interest	13	1,000	-
<b>Cash from (used in) financing activities</b>		<b>41,877</b>	<b>(6,766)</b>
<b>Impact of foreign currency translation on cash</b>		<b>266</b>	<b>-</b>
<b>Increase (decrease) in cash and equivalents</b>		<b>27,160</b>	<b>1,387</b>
Cash and cash equivalents (borrowings) beginning of period		2	(44)
<b>Cash and cash equivalents (borrowings) end of period</b>		<b>27,162</b>	<b>1,343</b>

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**GREEN IMPACT PARTNERS INC.**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

(Unaudited)

Thousands of Canadian dollars

Nine months ended	Note	September 30, 2021	September 30, 2020
<b>NET PARENT INVESTMENT</b>			
Balance, beginning of period		22,896	30,012
Changes in net parent investment	12	(3,889)	(4,958)
Reclassification of net parent investment to share capital		(19,007)	-
<b>Balance, end of period</b>		<b>-</b>	<b>25,054</b>
<b>SHARE CAPITAL</b>			
Balance, beginning of period		-	-
Reclassification of net parent investment	4	19,007	-
Deemed share issuance on the Transaction	12	2,346	-
Subscription receipts exchanged for cash	1	100,000	-
Share issue costs, net of tax effect	12	(7,059)	-
Treasury shares acquired	12	(1,296)	-
<b>Balance, end of period</b>		<b>112,998</b>	
<b>ACCUMULATED OTHER COMPREHENSIVE LOSS</b>			
Balance, beginning of period		-	-
Currency translation adjustment		436	-
<b>Balance, end of period</b>		<b>436</b>	-
<b>RETAINED EARNINGS</b>			
Balance, beginning of period		2,555	5,012
Net loss attributable to shareholders' of the Company		(3,724)	(2,355)
<b>Balance, end of period</b>		<b>(1,169)</b>	<b>2,657</b>
<b>Total Shareholders' Equity</b>		<b>112,265</b>	<b>27,711</b>

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## **GREEN IMPACT PARTNERS INC.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020  
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*All tabular amounts presented in thousands of Canadian dollars except share amounts*

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### **1. DESCRIPTION OF THE BUSINESS AND THE TRANSACTION**

Green Impact Partners Inc. (“GIP” or the “Company”) was incorporated on May 2, 2011 under the British Columbia Business Corporations Act. The Company’s common shares are traded on the TSX Venture Exchange under the symbol “GIP”. The Company’s registered address is 666 Burrard St. #2500, Vancouver, British Columbia, V6C 2X8.

The Company is a clean energy company with an operating portfolio of water and solids treatment and recycling facilities in North America. The Company also has a portfolio of development renewable natural gas and clean energy projects.

GIP obtained its TSX Venture Exchange listing by way of a reverse take-over of Blackheath Resources Inc. (the “Transaction”). Blackheath Resources Inc. (“Blackheath”) was a mineral exploration company incorporated under the British Columbia Business Corporations Act and had its registered office located at 10th Floor – 595 Howe Street, Vancouver, British Columbia, Canada. On May 27, 2021, Blackheath acquired certain clean energy assets (“Clean Energy Assets”) from Wolverine Energy and Infrastructure Inc. (“Wolverine” or “WEI”) for \$50.0 million in cash, by way of a promissory note, and through the issuance of 10 million shares from treasury. The value of the shares to be issued was based on the offering price of the subscription receipts issued in a financing as detailed below. The Transaction was completed by way of a plan of arrangement whereby Green Impact Operating Corp., a newly formed subsidiary of Blackheath, was amalgamated with a subsidiary of Wolverine, which held the clean energy assets and was spun off to Wolverine shareholders. The issuance of the Blackheath shares to Wolverine and its shareholders resulted in the shareholders of Wolverine effectively gaining control of Blackheath. The Transaction constituted a reverse take-over of Blackheath under the policies of the TSX Venture Exchange. Immediately prior to the completion of the Transaction, Blackheath consolidated its outstanding shares on approximately a 1-for-48.4 basis such that immediately prior to completion of the Transaction, Blackheath had 300,000 post-consolidation shares outstanding. Upon closing, Blackheath changed its name from Blackheath Resources Inc. to Green Impact Partners Inc. (“GIP” or the “Company”).

To complete the Transaction, pay the cash portion of the purchase price, finance future growth projects, and provide general working capital, the Company closed a private placement of subscription receipts at an offering price of \$10.00 per subscription receipt for gross proceeds of \$100.0 million. Upon the completion of the Transaction on May 27, 2021, each subscription receipt was exchanged for one common share of the Company. A commission of 6% of the gross proceeds of the placement was paid upon closing of the Transaction.

### **2. BASIS OF PRESENTATION**

#### Statement of Compliance

These consolidated interim financial statements (the “financial statements”) have been prepared by management using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. The financial statements do not include all the information required for full annual statements and should be read in conjunction with the audited carve-out financial statements of the Clean Energy Assets for the nine months ended December 31, 2020 and twelve months ended March 31, 2020, as presented in the Filing Statement for the Transaction dated May 17, 2021.

These financial statements were approved by the Company’s Board of Directors on November 24, 2021.



## **GREEN IMPACT PARTNERS INC.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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The Clean Energy Assets (and the business of the Clean Energy Assets (the “Business”)) was not a legal entity. Given that the Transaction was treated as a reverse takeover with the Company being identified as the acquirer, the results and financial position of the Clean Energy Assets are the comparatives for the purposes of these condensed consolidated interim financial statements

The Clean Energy Assets carve-out financial statements (the “Carve-outs”) represent the activities, assets and liabilities of the Clean Energy Assets on a “carve-out” basis rather than representing a legal structure. The Carve-outs were prepared for the purpose of presenting the financial position, financial performance and cash of the Business that was sold as part of the Transaction on a stand-alone basis. Where appropriate, certain transactions and balances have been attributed to the Business based on specific identification or allocation. The carve-outs may not be indicative of the Business’ future performance and they do not necessarily reflect what the results of operations, financial position and cash would have been had the Business operated as an independent entity and had it presented stand-alone financial statements during the period presented.

All comparative figures in these financial statements represent the activities, assets and liabilities of the Business for the periods indicated. For the purposes of calculating Net Income per Share, the share capital outstanding for comparative periods, prior to the Transaction, has been retrospectively adjusted to reflect the shares issued pursuant to the Transaction.

These financial statements are recorded and presented in Canadian dollars which is the Company’s functional currency, and have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. All values are rounded to the nearest dollar, except where otherwise indicated.

### *Basis of Consolidation*

These consolidated financial statements comprise the financial statements of the Company and the entities it controls. Control is achieved when the Company is exposed to, or has rights to variable returns from its involvement with the Subsidiaries and has the ability to effect those returns through its power over the Subsidiaries’ relevant activities. Subsidiaries are consolidated from the date control is obtained and deconsolidated from the date control ceases. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

The Company has applied uniform accounting policies throughout all consolidated entities and reporting dates of the subsidiaries are all consistent with that of the Company.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

#### **Significant Accounting Policies**

These financial statements have been prepared using accounting policies and estimates which are consistent with note 3 of the Carve-outs as at December 31, 2020 and for the years ended March 31, 2020 and 2019 as presented in the Filing Statement dated May 17, 2021.



## GREEN IMPACT PARTNERS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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The following are accounting policies for certain financial statement items that were not presented in the Carve-outs as at December 31, 2020:

### *Business Combinations*

Business combinations, except for transactions between entities under common control, are accounted for using the acquisition method. Under this method, consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities assumed by the Company and equity interests issued in exchange for control of the acquired company. Acquisition-related costs and gain on bargain purchase are recognized in profit or loss as incurred. A gain on bargain purchase arises when the sum of the fair value of identifiable net assets exceeds the fair value of the consideration paid.

### *Functional and Presentation Currency*

The presentation currency of the Company and its subsidiaries is the Canadian dollar. The functional currency of the Company and its U.S. subsidiaries are the Canadian and U.S. dollar, respectively. Accordingly, the assets and liabilities related to foreign operations are translated to the Canadian dollar at each reporting date. Income and expense transactions relating to foreign operations are translated at the exchange rate in effect at the average rate for the period. Differences resulting from translation of foreign operations are recorded in other comprehensive income (loss) as the cumulative translation adjustment for the period.

### *Intangible Assets*

Intangible assets with finite useful lives that are acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at acquisition date, which is regarded as their cost. Subsequent to initial recognition, intangible assets are recorded at cost, less accumulated amortization, and accumulated impairment losses. Intangible assets with finite lives are amortized over the periods during which they are expected to generate benefits. Intangibles are amortized with the following estimated useful lives and amortization methods:

<u>Item</u>	<u>Life</u>	<u>Amortization Method</u>
Customer Relationships	10 years	Straight-Line
Non-Compete Agreements	3 to 5 years	Straight-Line

### *Goodwill*

The excess cost of assets acquired over the fair value of identifiable assets acquired and liabilities assumed in a business combination is recorded as goodwill. Goodwill is measured at historical cost less any impairment losses. Goodwill is not amortized, but is tested for impairment annually, or earlier if there is an indication of impairment.

### **Significant Estimates and Judgments**

The timely preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported assets, liabilities, revenues, expenses, gains, losses, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The estimates and underlying assumptions are reviewed by management on an ongoing basis, with any adjustments recognized in the period in which the estimate is revised.



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The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include those related to the determination of cash generating units, depreciation and amortization, recoverability of assets, asset retirement obligations and accretion, other provisions and contingent liabilities, inventories, deferred income taxes, provision for expected credit losses, fair value of financial instruments, purchase price equations, and net investments in foreign subsidiaries. Readers are cautioned that the preceding list is not exhaustive and other items may also be affected by estimates and judgments.

#### 4. TRANSACTION WITH WOLVERINE

As described in note 1, on May 27, 2021, Blackheath acquired the Clean Energy Assets from Wolverine for a combination of cash, by way of a \$50.0 million promissory note, and through the issuance of common shares. The Transaction was completed by way of a plan of arrangement whereby Green Impact Operating Corp., a newly formed subsidiary of Blackheath, was amalgamated with a subsidiary of Wolverine, which held the clean energy assets and was spun off to Wolverine shareholders. Prior to the completion of the Transaction, Wolverine was the “Parent” of the Clean Energy Assets business.

Also, on May 27, 2021 and as part of the Transaction, Wolverine completed the acquisition of Akira Infra I Ltd. (“Akira”) for total consideration of \$12.8 million and Transition Energy Inc. (“Transition”) for total consideration of \$5.5 million. Akira consists of a solids recycling business in the United States and several pre-development renewable energy projects in both Canada and the United States. Transition held the rights and had executed initial development work for various renewable natural gas projects in western Canada. Pursuant to the Transaction, Wolverine transferred both Akira and Transition to the Company.

For accounting purposes, Transition was considered an asset acquisition as Transition was deemed not to constitute a business. The property, plant and equipment were recognized at cost with the cost of the group of assets and liabilities being allocated to the individual identifiable assets and liabilities according to their relative fair values at the time of the Transaction. Akira was considered a business and therefore was accounted for as a business combination as described in more detail below.

As part of the transaction, Wolverine assumed the debt that was outstanding for the Clean Energy Assets at the time of closing of \$25.9 million and retained the cash, accounts receivable and accounts payable (“working capital”) which amounted to (\$0.0) million.

The following is the net impact on share capital that resulted from the Transaction:

Settlement of promissory note to Parent	(50,000)
Debt assumed by the Parent	25,924
Parent settlement of notes on business and asset acquisitions	18,300
Sale of working capital to Parent	50
Other changes to net parent investment for the period	1,837
<b>Net Change in Parent Investment</b>	<b>(3,889)</b>

As noted, Akira was accounted for as a business combination. The property, plant and equipment acquired relates to the land, buildings, equipment and vehicles associated with the solids recycling business along with the value of the work completed to date and the rights to multiple pre-development renewable energy projects. The intangible assets acquired as part of the solids recycling business relate to contracts and relationships with local government entities that are required to operate the business and directly or indirectly generate a large portion of the entity’s

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revenue and earnings. The Company acquired 100% of the issued and outstanding shares of Akira. Akira owns 80% of the solids recycling subsidiary resulting in the recognition of a non-controlling interest. Details of the purchase price and allocation to the assets and liabilities acquired was as follows:

Working capital	182
Property, plant and equipment	13,025
Intangible assets	1,777
Goodwill	2,369
<b>Total Assets Acquired</b>	<b>17,353</b>
Debt obligations	(610)
Deferred income tax liabilities	(3,318)
<b>Total Liabilities Assumed</b>	<b>(3,928)</b>
<b>Net Assets Acquired by WEI and Transferred to the Company</b>	<b>13,425</b>
Total Proceeds paid by WEI	12,800
Non-controlling interest	625
<b>Fair Value of Consideration Paid by WEI</b>	<b>13,425</b>

As at September 30, 2021, the accounting for the acquisition is not finalized pending the completion of a comprehensive review and valuation of the net assets acquired. The financial statements at September 30, 2021 reflect management's current best estimate of the purchase price allocation. The Company has identified and allocated provisional amounts for intangible assets within the purchase price allocation. Final valuation of the assets acquired and liabilities assumed and the completion of the purchase price allocation will occur within one year of the Transaction date.

As a result, the excess of the purchase price over the fair value of net assets acquired, representing goodwill of \$2.4 million as of September 30, 2021, may be adjusted in future periods.

**5. ACCOUNTS RECEIVABLE**

	September 30, 2021	December 31, 2020
Trade receivables	2,355	1,436
Other receivables	11,194	8,251
Allowance for doubtful accounts	-	(22)
	<b>13,549</b>	<b>9,665</b>
<b>Aged trade receivables</b>		
Current (<30 days)	1,878	668
31-60 days	358	312
61-90 days	114	177
>90 days	5	279
	<b>2,355</b>	<b>1,436</b>



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Other receivables represent amounts accrued on marketing revenue, which is collected in the month following the associated sales.

### 6. PROPERTY, PLANT AND EQUIPMENT

	Property, Plant & Equipment in Operation	Assets Under Construction	Total Property, Plant & Equipment
<b>Balance, December 31, 2020</b>	<b>71,554</b>	-	<b>71,554</b>
Additions	3,642	11,492	<b>15,134</b>
Asset acquisitions (note 4)	-	5,500	<b>5,500</b>
Business combinations (note 4)	2,725	10,300	<b>13,025</b>
Asset contribution by non-controlling interest (note 13)	-	12,976	<b>12,976</b>
Changes in asset retirement obligation asset (note 11)	(1,939)	-	<b>(1,939)</b>
Depreciation	(3,909)	-	<b>(3,909)</b>
Impact of foreign currency translation	77	84	<b>161</b>
<b>Balance, September 30, 2021</b>	<b>72,150</b>	<b>40,352</b>	<b>112,502</b>

As at September 30, 2021, the Company had one cash generating unit (“CGU”) being Water and Solids Treatment and Recycling, which currently comprises the Water and Industrial operating segment. The entire balance of property, plant and equipment in operation represents the assets for this operating segment. Property, plant and equipment in operation added through business combinations is related to the acquisition of the solids recycling business in the United States.

At September 30, 2021, management identified an indicator of impairment in the Water and Solids Treatment and Recycling CGU due to current operational performance, which has resulted in delaying the planned growth program and revisions for forecasted results. Accordingly, an impairment test was performed. The results of that test indicated that no impairment of the Water and Solids Treatment and Recycling CGU existed as at September 30 2021.

Assets under construction consist of property plant and equipment for projects that are in the development phase and/or under construction. Additions for the nine months ended September 30, 2021 in the category include \$8.8 million associated with the GreenGas Colorado renewable natural gas project, \$2.0 million of additions related to the Wheatland Development Project and the remaining \$0.5 million of spending directed at other pre-development renewable natural gas projects. As outlined in note 4, assets were acquired from Transition Energy Inc. for \$5.5 million and represent assets associated with various development ready renewable natural gas projects. The assets under construction added through business combinations of \$10.3 million are discussed in note 4 and relate to an option to participate, which was exercised during the quarter, in a pre-development renewable energy project obtained from Akira as part of the Transaction. None of these projects were in operation as at September 30, 2021 and therefore no depreciation has been recorded to date.

### 7. LONG TERM INVESTMENT

During the quarter, the Company invested \$3 million NZD (\$2.7 million CAD) for 3,000,000 shares of New Zealand-based energy company (“NZCo”) focused on developing a green hydrogen refuelling network across New Zealand servicing commercial and heavy transport customers. The investment resulted in the Company owning 12% of the issued and outstanding shares of NZCo. It was determined that the Company does not significant influence over the



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operations of NZCo through its share ownership or any other governance mechanism. The share subscription agreement includes an option for the Company to invest an additional \$4.5 million NZD (\$3.9 million CAD at September 30, 2021 exchange rate) according to a share price formula that cannot exceed \$1.86 NZD (\$1.61 CAD) per share should certain specified conditions be met by NZCo ("Tranche 2"). Should Tranche 2 be funded, the Company's ownership will increase to approximately 18%. The investment includes an additional opportunity to increase the Company's investment at a later date. Based on the current status of the Tranche 2 conditions, the Company does not anticipate that Tranche 2 will be completed before 2023.

In accordance with IFRS 9 – Financial Instruments, the investment was initially recorded at fair value. Given that the shares of NZCo are not being held for trading, the Company has elected to subsequently measure the investment at fair value through other comprehensive income (FVTOCI). Consequently, any future fair value gains or losses will be recognized through other comprehensive income. As at September 30, 2021 it was determined there was no change in the fair value of the investment since initial recognition.

### 8. INTANGIBLE ASSETS

Intangible assets acquired as part of a business combination or asset acquisition are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line basis over their estimated useful lives as disclosed in note 3. The majority of the intangible asset balance was acquired as part of the business combination disclosed in note 4, at which time a provisional fair value assessment was performed.

Below is a continuity of intangible assets as at September 30, 2021:

	Customer Relationships and Contract	Non-competition Agreements	Total Intangible Assets
<b>Opening Balance, December 31, 2020</b>	-	97	97
Acquired on business combination	1,777	-	1,777
Amortization	(46)	(66)	(112)
Impact of foreign currency translation	97	-	97
<b>Ending Balance, September 30, 2021</b>	<b>1,828</b>	<b>31</b>	<b>1,859</b>

### 9. ACCOUNTS PAYABLE

	September 30, 2021	December 31, 2020
Trade payables	6,664	2,675
Accrued liabilities	12,516	7,571
	<b>19,180</b>	<b>10,246</b>

Accrued liabilities primarily represent amounts accrued for marketing costs, which are mostly all settled in the month following the associated sales.



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### 10. DEBT

	September 30, 2021	December 31, 2020
Term debt <sup>1,2,3</sup>	330	26,245
IFRS 16 liabilities <sup>4</sup>	156	69
	<b>486</b>	<b>26,314</b>
Current portion	(220)	(1,830)
Long term portion	<b>266</b>	<b>24,484</b>

<sup>1</sup>Pursuant to the transaction effective May 27, 2021, Wolverine assumed the remaining term debt balance. From January 1, 2021 to the closing of the transaction on May 27, 2021, the Business was servicing the term debt. The term debt bore interest at 6.15%, was repayable in blended monthly payments of \$0.3 million and matured in September 2028. The debt was secured by a general security agreement. The Company received permission from its lender to make interest only payments of \$0.1 million for a period of 12 months beginning April 1, 2020 resulting in reduced payments for the 9 month period ended September 30, 2021.

<sup>2</sup>Pursuant to the business combination with Akira, disclosed in note 4, the Company assumed four equipment and vehicle loans totaling \$0.4 million. The loans bear interest ranging from 2.85%-4.00% and have maturities ranging from September 2023 to February 2025.

<sup>3</sup>On the transfer of the Akira business from WEI, a paycheck protection program loan totaling \$0.3 million was assumed by the Company. In June 2021, the loan was forgiven in full by the Bank of Hawaii. The forgiveness of the loan was recorded as a reduction to current liabilities with a corresponding gain on debt forgiveness recognized on the Statement of Comprehensive Loss for the period.

<sup>4</sup>IFRS 16 lease liabilities are recorded at the present value of future minimum lease payments, with lease payments being apportioned between principal and interest, where interest is determined to be the Company's incremental borrowing rate of 6.85%. The lease liability consists of several individual leases. The individual leases mature at varying dates ranging from March 2022 to March 2024. The leases are secured by the leased assets.

### 11. ASSET RETIREMENT OBLIGATIONS

	September 30, 2021
<b>Beginning Balance, December 31, 2020</b>	<b>15,644</b>
Changes in estimates	(1,939)
Settlement expenditures	(591)
Accretion	203
<b>Ending Balance, September 30, 2021</b>	<b>13,317</b>

The Company has estimated the net present value of its asset retirement obligation to be \$13.3 million as at September 30, 2021 (December 31, 2020 – \$15.6 million) based on a total undiscounted future liability of \$20.7 million (December 31, 2020 – \$20.7 million). This liability represents obligations of the Company for its water and solids treatment and recycling facilities to abandon and dispose of the equipment and reclaim the sites. These payments are expected to be made by 2044. The Company calculated the present value of the obligations using a discount rate of 1.98% (December 31, 2020 – 1.21%) to reflect the market assessment of the time value of money



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as well as risks specific to the liabilities that have not been included in the cash flow estimates. The inflation rate used in determining the cash flow estimate was 1.8% per annum (December 31, 2020 – 1.8%).

The Company has issued a \$3.2 million (December 31, 2020 – \$3.2 million) performance bond to the Government of Saskatchewan for the Heward landfill.

### 12. SHAREHOLDERS EQUITY

#### Authorized Share Capital

Unlimited Class A Voting Common Shares

	Number of Shares	Amount (in 000's)
Balance, December 31, 2020	100	22,896
Change in net parent investment	-	(3,889)
Common shares exchanged for common shares of Blackheath	(100)	-
	300,000	-
Shares deemed to be issued pursuant to the Transaction	10,000,005	2,346
Shares issued for cash in exchange for subscription receipts	10,000,000	100,000
Share issue costs, net of tax	-	(7,059)
Treasury shares acquired	-	(1,296)
<b>Total Shareholder's Equity – September 30, 2021</b>	<b>20,300,005</b>	<b>112,998</b>

Refer to the Condensed Consolidated Statement of Equity and Note 1 for additional details on the transactions involving equity.

	Three Months Ended September		Nine Months Ended September	
	2021	2020	2021	2020
Weighted average number of common shares outstanding:				
Basic	20,300,005	10,300,000	14,952,017	10,300,000
Fully Diluted	20,300,005	10,300,000	14,952,017	10,300,000

For the purposes of calculating the weighted average number of common shares outstanding, the share capital outstanding for comparative periods, prior to the Transaction, have been retrospectively adjusted to reflect the shares issued pursuant to the Transaction.

#### Acquisition of Treasury Shares

Treasury shares are purchased and held by the Company for the purpose of, inter alia, issuing shares to officers, directors and employees under the Company's existing Restricted Share Unit ("RSU") Plan ("RSU Plan"), which was approved by shareholders on November 19, 2021. For the three and nine months ended September 30, 2021, the Company acquired 69,200 and 138,000 common shares as treasury shares for \$0.6 million and \$1.3 million, respectively, in accordance with the existing RSU Plan. At September 30, 2021, the Company is holding 138,000 treasury shares. To date, no RSUs have been contractually issued under the RSU Plan.



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### 13. NON-CONTROLLING INTERESTS

On July 14, 2021, the Company entered into a partnership with two arm's length entities to develop a large-scale project – the Wheatland Development Project (the "Project"). The Company subscribed to 5,000,000 common shares of the Project partnership entity for \$1.00 per common share, which represents 31.5% of the issued and outstanding common shares. The Company also controls the Board of Directors and is acting as operator for the Project. Consequently, it was determined that GIP controls the Project partnership entity and therefore 100% of the assets, liabilities and results from operations have been consolidated in these Condensed Interim Financial Statements. One of the partners subscribed to 1,000,000 common shares for \$1.00 per common share while the other partner, as part of the same transaction, contributed assets and liabilities in the form of prior development costs expended and liabilities incurred to date for the Project. For the net asset contribution, the partner received 10,000,000 common shares of the Project partnership entity. The contributed net assets, consisting of \$13.0 million of property, plant and equipment, less \$3.0 million of liabilities, were accounted for as a share-based payment per IFRS 2 and valued based on the implied consideration received of \$10.0 million using the \$1.00 per common share paid by the other two partners, both of whom were transacting at arm's length. Due to the fact GIP controls the Project partnership entity, the \$1.0 invested in common shares and the \$10.0 million of net assets contributed by the partners, respectively, have been accounted for as non-controlling interests. The amounts invested and contributed by the non-controlling interests less their proportionate share of the net loss for the quarter represents \$11.0 million of the non-controlling interests.

The remaining \$0.8 million of non-controlling interests represents the non-controlling interest that resulted from the Transaction as disclosed in note 4 together with their proportionate share of net profits for nine months ended September 30, 2021.

### 14. INCOME TAXES

#### Net Deferred Tax Liability Continuity:

	September 30, 2021
<b>Opening Balance, December 31, 2020</b>	<b>5,135</b>
Origination and reversal of temporary differences	(1,468)
Acquired in business combination (note 4)	3,318
Share issue costs	(1,844)
Impact of foreign currency translation	52
<b>Ending Balance, September 30, 2021</b>	<b>5,193</b>
Deferred income tax liability	12,783
Deferred income tax asset	(7,590)
<b>Net Deferred Income Tax Liability</b>	<b>5,193</b>
<u>Temporary Differences:</u>	
Property, plant and equipment	12,305
Asset retirement obligations	(3,063)
Intangibles	476
Share issue costs	(1,844)
Loss carryforwards	(2,681)
<b>Total Temporary Differences</b>	<b>5,193</b>



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The loss carryforward balance of \$2.7 million represents potential future tax savings to the Company. The Company considers it probable that future taxable profits will be available against which the losses giving rise to this deferred tax asset can be applied. Accordingly, the Company has recognized a deferred tax asset or a reduction to its net deferred tax liability, as applicable, on the consolidated statement of financial position for these loss carry forward amounts. Tax rates used to determine future tax liabilities were a combined 23% for all Canadian tax attributes and a combined 25% for any U.S. tax attributes.

### 15. FINANCE COSTS

	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
Interest on long-term debt	2	406	679	1,221
Interest on lease obligations	3	1	4	5
Amortization of debt issue costs	-	22	71	64
Accretion on asset retirement obligation	69	66	203	198
Interest income on deposits	(29)	-	(42)	-
	<b>45</b>	<b>495</b>	<b>915</b>	<b>1,488</b>

### 16. CAPITAL MANAGEMENT

	September 30, 2021	December 31, 2020
Current assets	42,767	11,139
Current liabilities	(19,400)	(12,076)
Long-term debt	266	24,484
Shareholders' equity	112,265	25,451
	<b>135,898</b>	<b>48,998</b>

The Company's objectives when managing capital are to: (i) ensure the Company has the financial capacity to execute on its strategy to increase market share through organic growth or strategic acquisitions; (ii) maintain financial flexibility in order to meet financial commitments and maintain the confidence of shareholders, creditors and the market; and (iii) optimize the use of capital to provide an appropriate return on investment to shareholders. Management considers the Company's current assets less current liabilities, long-term debt and shareholders' equity as the components of capital to be managed.

The Company's overall capital management strategy remained unchanged from prior periods. The Company has established criteria for sound financial management and manages the capital structure based on current economic conditions, risk characteristics of underlying assets and planned capital and liquidity requirements. Total capitalization is maintained or adjusted by drawing on existing credit facilities, issuing new debt and through the disposal of underperforming assets when required.



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### 17. RISK MANAGEMENT

#### Litigation

From time to time the Company is subject to claims and lawsuits arising in the ordinary course of operations. In the opinion of management, the ultimate resolution of such pending legal proceedings will not have a material adverse effect on the Company's financial position.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company's cash needs are met with cash generated by operations, financing provided by short-term borrowings and long-term debt. The Company manages liquidity risk through management of its capital structure, monitoring and reviewing actual and forecasted cash flows and the effect on bank covenants, and maintaining credit facilities to ensure there are available cash resources to meet the Company's liquidity needs. The Company currently has sufficient capital resources to satisfy its forecasted capital expenditures and debt service obligations.

The following are undiscounted contractual maturities of financial liabilities, including estimated interest:

	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
Accounts payable and accrued liabilities	19,180	19,180	-	-	-
Long-term debt, excluding lease liabilities	380	141	218	21	-
Lease liabilities	166	94	72	-	-
<b>Total</b>	<b>19,726</b>	<b>19,415</b>	<b>290</b>	<b>21</b>	<b>-</b>

#### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. The Company is exposed to interest rate risk primarily through short-term and long-term borrowings with floating interest rates. Other borrowings have fixed interest rates and would only be subject to interest rate fluctuations as refinancing is required.

#### Credit Risk

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 note receivable. The Company's trade receivables are with customers in the infrastructure, construction, mining, oil and natural gas, agriculture, forestry, government, potash and utilities industries and are subject to credit risk. In order 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 account 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 other 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



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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.

### 18. RELATED PARTY TRANSACTIONS

The Chief Executive Officer of the Company is the Executive Chairman of Wolverine and owns approximately 49% of the issued and outstanding shares of Wolverine. Wolverine, as a result of the Transaction, owns approximately 25% of the issued and outstanding shares of GIP and is therefore considered to be a related party of the Company. Consequently, the Transaction with Wolverine, as described in Note 1 to the condensed consolidated interim financial statements, was a related party Transaction. In addition to the Transaction, Wolverine provided certain transitional services to GIP including personnel, systems and software. During the three and nine months ended September 30, 2021, the Company paid \$0.9 million and \$2.7 million, respectively, to Wolverine for reimbursement of certain expenses at no mark-up incurred by Wolverine on GIP's behalf, including share issue costs and salaries and wages. In addition, as part of the transition services, Wolverine has been collecting certain revenue and settling certain expenses on behalf of the Company. The total net amount owed to GIP from Wolverine amounted to \$0.6 million at September 30, 2021 (December 31, 2020 - \$nil).

### 19. SEGMENT REPORTING

The Company currently operates as a water and industrial service provider and a renewable energy producer, which forms its two reporting segments – Water and Industrial, and Energy Production. The Water and Industrial segment consists of water, waste and solids disposal and recycling services as well as other marketing operations. The Water and Industrial segment spans a range of industries including agriculture, forestry, government, midstream companies, public infrastructure, oil and gas production companies, potash and utilities. The Energy Production segment is currently comprised of multiple pre-production renewable energy projects. Given that all energy projects are pre-production, no revenue and expenses have been realized or incurred. Only initial development investments have been made to date and as such the segment is reported below for the Energy Production Segment. The renewable energy projects range from various forms of renewable natural gas to ethanol production.

Below is information for the Company's operating segments for the three and nine month periods ended September 30, 2021 and 2020.

#### Assets and Liabilities

September 30, 2021	Water & Industrial	Energy Production	Corporate	Total
Property, plant and equipment	72,150	40,352	-	<b>112,502</b>
Total assets	104,098	39,192	18,910	<b>162,200</b>
Total liabilities	36,229	3,699	(1,752)	<b>38,176</b>

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<b>September 30, 2020</b>	<b>Water &amp; Industrial</b>	<b>Energy Production</b>	<b>Corporate</b>	<b>Total</b>
Property, plant and equipment	72,919	-	-	<b>72,919</b>
Total assets	85,381	-	-	<b>85,381</b>
Total liabilities	57,671	-	-	<b>57,671</b>

**Operating Results**

<b>Three Months Ended September 30, 2021</b>	<b>Water &amp; Industrial</b>	<b>Energy Production</b>	<b>Corporate</b>	<b>Total</b>
Revenue	35,366	-	29	<b>35,395</b>
Depreciation and amortization	1,860	-	-	<b>1,860</b>
Other operating expense	33,761	-	1,004	<b>34,765</b>
Non-operating expense (income)	74	14	(41)	<b>47</b>
Income (loss) before tax	(329)	(14)	(934)	<b>(1,277)</b>

<b>Nine Months Ended September 30, 2021</b>	<b>Water &amp; Industrial</b>	<b>Energy Production</b>	<b>Corporate</b>	<b>Total</b>
Revenue	90,220	-	29	<b>90,249</b>
Depreciation and amortization	4,021	-	-	<b>4,021</b>
Other operating expense	86,608	-	1,507	<b>88,115</b>
Non-operating expense (income)	705	14	2,464	<b>3,183</b>
Income (loss) before tax	(1,114)	(14)	(3,942)	<b>(5,070)</b>

<b>Three Months Ended September 30, 2020</b>	<b>Water &amp; Industrial</b>	<b>Energy Production</b>	<b>Corporate</b>	<b>Total</b>
Revenue	23,720	-	-	<b>23,720</b>
Depreciation and amortization	1,122	-	-	<b>1,122</b>
Other operating expense	22,894	-	-	<b>22,894</b>
Non-operating expense (income)	495	-	-	<b>495</b>
Income (loss) before tax	(791)	-	-	<b>(791)</b>

<b>Three Months Ended September 30, 2020</b>	<b>Water &amp; Industrial</b>	<b>Energy Production</b>	<b>Corporate</b>	<b>Total</b>
Revenue	71,906	-	-	<b>71,906</b>
Depreciation and amortization	3,133	-	-	<b>3,133</b>
Other operating expense	70,175	-	-	<b>70,175</b>
Non-operating expense (income)	1,540	-	-	<b>1,540</b>
Income (loss) before tax	(2,942)	-	-	<b>(2,942)</b>



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### 20. COMMITMENTS

During the quarter, the Company entered into an Engineering, Procurement and Construction (“EPC”) agreement for its renewable natural gas project located in Weld County, Colorado in the United States (the “GreenGas Colorado Project”). The total EPC cost portion of the project is approximately \$62.9 million. The Company is currently funding the expenditures under the EPC agreement as the costs are incurred, with full notice to proceed expected to be issued under the EPC agreement once non-recourse project debt financing for the GreenGas Colorado project has been secured. As at September 30, 2021, a total of \$5.6 million of the total EPC cost had been incurred and recorded in assets under construction.

During the quarter, the Company entered into a partnership with Carbon Clean Energy Inc. and PCL Construction Inc. (“PCL”) to develop a large-scale bio-fuel facility. As a result of the partnership agreement, the Company and PCL incurred a commitment of \$6.0 million to settle existing liabilities of \$3.0 million (note 13) and fund development expenditures of \$3.0 million associated with the project as they are incurred. As at September 30, 2021, a total of \$1.0 million of this commitment remains to be funded. Under the partnership agreement, the Company has control over the development of the project. Once the project has advanced to final investment decision, the Company holds the right to invest all project equity required to complete construction.