MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Polaris Infrastructure Inc. and its subsidiaries ("Polaris Infrastructure," "we", "us", "our", or the "Company") for the period ended June 30, 2020, and reflects all material events up to August 5, 2020, the date on which this MD&A was approved by the Company's Board of Directors. All amounts, unless specifically identified as otherwise, both in the consolidated financial statements and this MD&A are expressed in U.S. dollars.

This MD&A supplements, but does not form part of, the Company's interim unaudited consolidated financial statements and accompanying notes for the six months ended June 30, 2020, and the annual audited consolidated financial statements and MD&A for the year ended December 31, 2019. Additional information relating to the Company, such as the Annual Information Form ("AIF") can be found on the System for Electronic Disclosure and Retrieval ("SEDAR") at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information or future-oriented financial information and, as such, is based on an assumed set of economic conditions and courses of action. Please refer to the cautionary note at the end of this MD&A regarding the risks associated with the forward-looking information and the risk factors set out under the headings "RISKS AND UNCERTAINTIES" in this MD&A, and "Forward Looking Statements" and "Risk Factors" in the Company's AIF for the year ended December 31, 2019 available on SEDAR at www.sedar.com.

NON-GAAP FINANCIAL MEASURES

Certain measures in this MD&A do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS") and, therefore, are not considered generally accepted accounting principles ("GAAP") measures. Where non-GAAP measures or terms are used, definitions are provided. In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

This MD&A and certain of Polaris Infrastructure's press releases include references to the Company's adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), adjusted EBITDA per share, cash flow from operations and cash flow from operations per share, which are non-GAAP measures. These measures should not be considered alternatives to net earnings (loss) attributable to the owners of the Company, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Rather, these measures are provided to complement IFRS measures in the analysis of Polaris Infrastructure's results since the Company believes that the presentation of these measures will enhance an investor's understanding of Polaris Infrastructure's operating performance. For reconciliations of these non-GAAP measures to their nearest IFRS measure, refer to the *Non-GAAP Performance Measures section* below for a reconciliation of consolidated net earnings (loss) attributable to the owners of the Company reported under IFRS to reported adjusted EBITDA and adjusted EBITDA per share, and for a reconciliation of cash provided by operating activities under IFRS to reported cash flow from operations and cash flow from operations per share.

Adjusted EBITDA

The Company uses Adjusted EBITDA to assess its operating performance without the effects of (as applicable): current and deferred tax expense, finance costs, interest income, depreciation and amortization of plant assets, other gains and losses, impairment loss, share-based compensation and other non-recurring items. The Company adjusts for these factors as they may be non-cash, unusual in nature and do not reflect its operating performance. Adjusted EBITDA is not intended to be representative of net earnings from operations or an alternative measure to cash provided by operating activities determined in accordance with IFRS.

Cash Flow from Operations

Cash flow from operations is used by the Company to determine cash flows from operating activities without the effects of certain volatile items that can positively or negatively affect changes in working capital and are viewed as not directly related to Polaris Infrastructure's operating performance. Cash flow from operations is not intended to be representative of cash flows from operating activities determined in accordance with IFRS.

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2020 HIGHLIGHTS

- We continue to manage coronavirus ("COVID-19") protocols through the second quarter of 2020 as the pandemic continued to present significant challenges to social and economic infrastructure worldwide. We have extended our mandates on social distancing, use of masks, appropriate testing of staff and reduced staffing where possible within our operating regions. Our facilities in Nicaragua and Peru remained operational throughout the first half of 2020 and continue to operate to date.

- On June 5, 2020, we closed on a $27.0 million loan financing, from which $22.0 million were drawn on June 5, 2020 and $5.0 million on July 17, 2020. This loan financing will allow us to continue growing in Latin America.

- We delivered a consolidated 165,541 MWh (net) of energy during the second quarter of 2020, of which 129,678 MWh (net) was contributed by our geothermal facility in Nicaragua and 35,863 MWh (net) was contributed by our hydroelectric facilities in Peru.

- We generated $18.9 million in revenue from energy sales for the period ended June 30, 2020.

- We reported $1.0 million in total net loss and comprehensive loss attributable to us, equivalent to $0.07 per share – basic for the second quarter of 2020.

- We reported $15.1 million in Adjusted EBITDA(1), for the second quarter of 2020.

- During the quarter ended June 30, 2020 we generated $10.9 million in cash flow from operations(1) compared to $9.1 million in the same period of 2019.

- We remain focused on maintaining a quarterly dividend. We declared and paid $2.4 million in dividends during the period ended June 30, 2020 and will pay the eighteenth quarterly dividend of $0.15 per outstanding common share on August 28, 2020.

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(1) The terms Adjusted EBITDA and Cash flow from operations are Non-GAAP measures. See the *Non-GAAP Performance Measures section* below for a reconciliation of consolidated net earnings (loss) attributable to the owners of the Company reported under IFRS to reported EBITDA, and adjusted EBITDA, and a reconciliation of net cash provided by operating activities under IFRS to reported cash flow from operations

OPERATIONS AND FINANCIAL HIGHLIGHTS

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Energy production				
Consolidated Power (MWh) net	165,541	136,136	347,949	283,738
Consolidated Power, average (MW) net	75.80	62.33	81.83	65.64
Financials				
Revenue from energy sales	$ 18,910	$ 17,269	$ 39,168	$ 35,870
Net earnings	(1,025)	(8,610)	3,366	(5,230)
Net earnings attributable to owners	(1,025)	(6,957)	3,335	(3,577)
Adjusted EBITDA(1)	15,121	14,432	32,107	30,307
Cash flow from operations(2)	10,886	9,097	22,465	20,038

Balance Sheet	As at June 30, 2020	As at December 31, 2019
Cash	48,242	32,597
Restricted cash	1,921	5,941
Total current assets	66,718	48,682
Total assets	468,891	463,744
Current and Long term debt (net)	189,899	183,671
Total Liabilities	263,017	256,518
Working Capital	34,687	13,635

Per share	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Net earnings attributable to owners - basic	$ (0.07)	$ (0.44)	$ 0.21	$ (0.23)
Cash flow from operations(2)	$ 0.69	$ 0.58	$ 1.43	$ 1.28

(1) The term Adjusted EBITDA is a Non-GAAP measure. See the *Non-GAAP Performance Measures section* below for a reconciliation of consolidated net earnings (loss) attributable to the owners of the Company reported under IFRS to reported EBITDA, and Adjusted EBITDA.

(2) The terms Cash Flow from Operations and Cash Flow from Operations per share are Non-GAAP measures. See the *Non-GAAP Performance Measures section* below for a reconciliation of net cash provided by operating activities under IFRS to reported cash flow from operations and cash flow from operations per share.

OPERATIONAL RESULTS

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Power production in MWh				
Nicaragua				
San Jacinto (Geothermal)	129,678	128,957	265,022	267,780
Peru				
Canchayllo (Hydroelectric)	8,442	7,179	17,898	15,958
Generación Andina: 8 de Agosto (Hydroelectric)	27,421	-	55,711	-
Generación Andina: El Carmen (Hydroelectric)	-	-	9,318	-
Total Peru in MWh	35,863	7,179	82,927	15,958
Total consolidated power production in MWh	**165,541**	**136,136**	**347,949**	**283,738**
Power production in MW (net)				
Nicaragua				
San Jacinto (Geothermal)	59.38	59.05	60.67	61.97
Peru				
Canchayllo (Hydroelectric)	3.87	3.29	4.10	3.67
Generación Andina: 8 de Agosto (Hydroelectric)	12.56	-	12.75	-
Generación Andina: El Carmen (Hydroelectric)	-	-	4.30	-
Total Peru in MW (net)	16.42	3.29	21.15	3.67
Total consolidated power production in MW (net)	**75.80**	**62.33**	**81.83**	**65.64**

During the three-month period ended June 30, 2020 we increased our power production to 165,541 MWh (net) from 136,136 MWh (net) in the same period of 2019, as a result of additional production from Generación Andina's 8 de Agosto facility and the increase in the Canchayllo facility and the San Jacinto facility's production reported in the quarter.

On a MW (net) basis, the San Jacinto facility produced 59.4 MW average (net) during the three-month period ended June 30, 2020, compared to 59.1 MW average (net) in the same quarter of 2019 and compared to 62.0 MW average (net) for the first quarter of 2020.

Production at the San Jacinto facility during this quarter was in part affected by unscheduled maintenance that was required as a result of having to postpone annual major maintenance from the second quarter of 2020 to the third quarter of 2020 due to COVID-19 related travel restrictions. The impact of the unscheduled maintenance on production was approximately 0.5 MWs (net) for the quarter. Due to COVID-19, the annual major maintenance at the San Jacinto facility is planned for August and is expected to last 17 days.

During the six-month period ended June 30, 2020, we increased our power production to 347,949 MWh (net) from 283,738 MWh (net) in the six-month period ended June 30, 2019, due to the increase in production from the Canchayllo facility coupled with additional production from the two Generación Andina facilities, partly offset by a decrease in production from the San Jacinto facility.

During the six months ended June 30, 2020, the San Jacinto facility produced 60.1 MW average (net) compared to 62.0 MW average (net) produced in the same period of 2019. The decrease in the MW average (net) production at the San Jacinto facility was mainly the result of lower steam production given the expected natural decline of the field.

During the second quarter of 2020, production at the Canchayllo facility increased to 3.9 MW average (net) from 3.3 MW average (net) in the same quarter of 2019. The increase in the Canchayllo facility's net power generation was the result of higher water volume during the period. During the six months ended June 30, 2020, production at the Canchayllo facility increased to 4.1 MW average (net) from 3.7 MW average (net) reported in the same period of 2019.

The 8 de Agosto and El Carmen facilities started production in late 2019. The 8 de Agosto facility produced 12.6 MW average (net) and 12.8 MW average (net) during the three and six months period ended June 30, 2020, respectively. Peru's annual dry season, which typically begins in May, impacted energy production levels at the 8 de Agosto and El Carmen facilities. Production of 27,421 MWh (net) in the quarter was still lower than expected production of approximately 30,000 MWh (net) principally as a result of lower than anticipated water flows. It is our understanding that other facilities in the area have experienced similar conditions.

On February 25, 2020 the El Carmen facility reported a failure in one of its air-release valves, which resulted in water escaping from the penstock and into the powerhouse for approximately 30 minutes. Fortunately, no injuries were reported. The necessary repairs to restart operations were expected to be completed by mid-March 2020; however due to the travel restrictions within the country initiated by the Peruvian government as a response to COVID-19, they were completed on July 23, 2020. The plant re-commenced producing power on July 30, 2020 and all pre-commissioning and commissioning tests were successfully completed. We are working with our insurance providers to determine the applicable total coverage for this incident. An initial advance of $0.6 million was received from the insurance coverage. It is important to note that costs of approximately $0.4 million were incurred and expensed in the second quarter, while the insurance proceeds are recorded as Other Income.

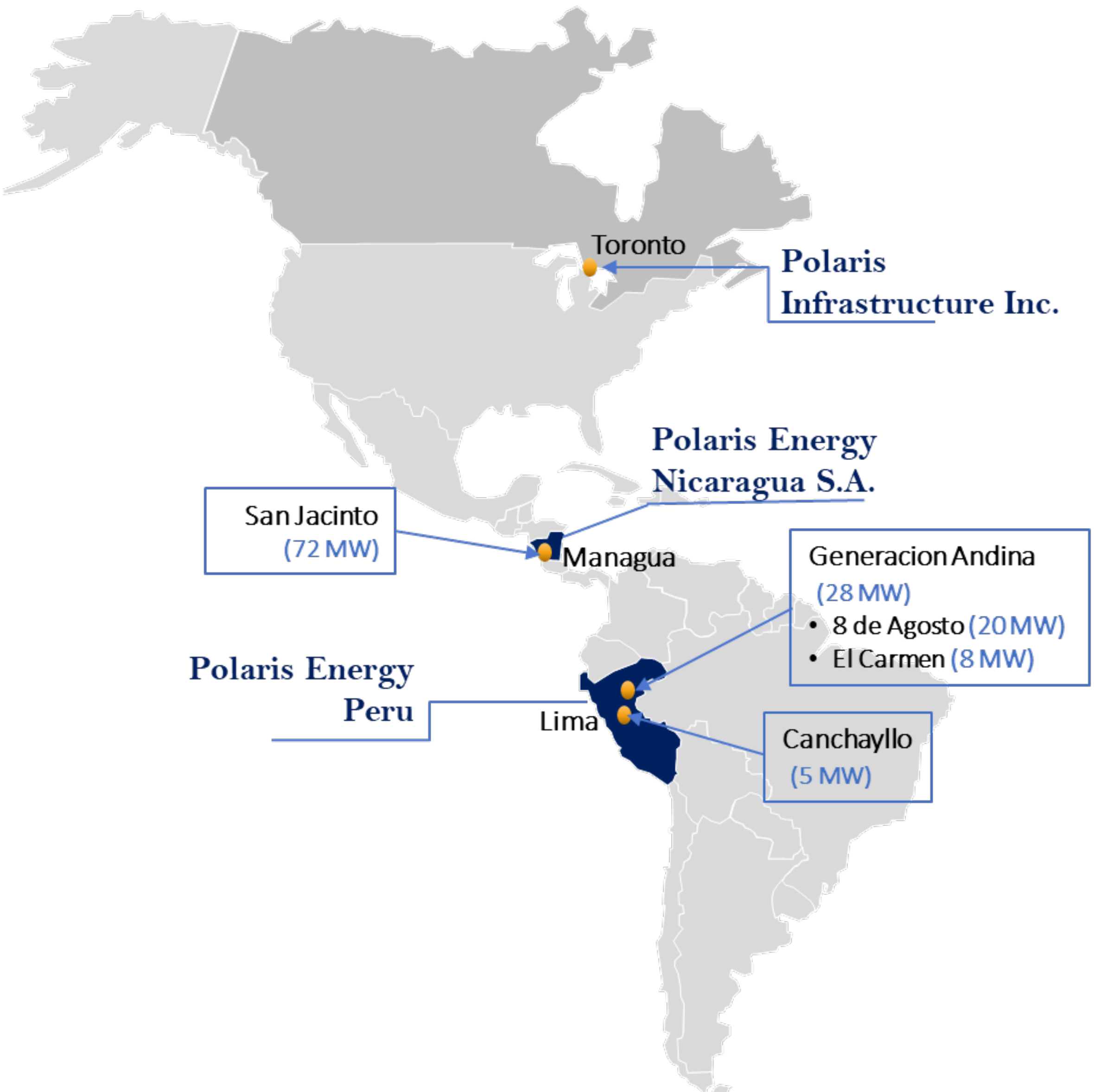
BUSINESS OVERVIEW AND STRATEGY

Polaris Infrastructure is a Toronto-based company engaged in the acquisition, development and operation of renewable energy projects in Latin America. Currently we operate a 72 MW (net) geothermal facility in Nicaragua, and three run-of-river hydroelectric facilities in Peru, with approximately 5 MW (net), 8 MW (net) and 20 MW (net) capacity, each. Construction of two of the hydroelectric facilities was completed in late 2019, with commercial operation dates ("COD") achieved on November 30, 2019 and December 25, 2019, respectively.

Our mission is to be a Latin America-focused renewable power project developer and operator, while providing superior shareholder returns. Senior management has extensive experience in critical areas of renewable energy, finance, development and operations. The Board of Directors of the Company (the "Board") is comprised of individuals with a broad range of industry and business expertise who are well qualified to provide oversight and strategic direction to the Company and who, as a group, have deep knowledge and extensive experience operating in Latin America.

The Company operates in Peru and Nicaragua, which are both Latin American nations with rapidly growing energy needs and governments that have stated mandates and economic policies aimed at supporting the growth of domestic renewable energy sources. According to the International Energy Agency, between 1990 and 2018, Peru's electricity consumption has risen by 291% compared with energy production growth of 127%. Similarly, Nicaragua's electricity consumption increased by 300% while its production increased by 100% over the same period. The Company believes that such underlying factors create a general economic and political environment that is very supportive of the renewable power projects that the Company develops and operates in both jurisdictions.

Events, transactions and activities relating to Polaris Infrastructure's properties which occurred during the period ended June 30, 2020 and to the date of this MD&A are discussed below.



OPERATING FACILITIES

San Jacinto facility- Tizate – San Jacinto, Nicaragua

Through our subsidiary, Polaris Energy Nicaragua S.A. ("PENSA"), we own and operate a 72 MW (net) capacity geothermal facility. The San Jacinto facility is located in northwest Nicaragua, near the city of Leon, approximately 90 km northwest of Managua.

PENSA has a PPA in place for the San Jacinto facility with Nicaraguan power distributors Disnorte-Dissur. PENSA entered into the San Jacinto exploitation agreement with the Nicaraguan Ministry of Energy and Mines ("MEM") to develop and operate the San Jacinto facility. Under the PPA, the San Jacinto facility generated 135,344 MWh (average 61.97 MW (net)) and 138,823 MWh (average 64.27 MW (net)) for the periods ended June 30, 2020 and 2019, respectively. These production figures are net of all plant downtime, both planned and unplanned.

For the three-month period ended June 30, 2020 and 2019, the San Jacinto facility generated revenue of $17.5 million and $16.9 million, respectively.

Canchayllo facility – Canchayllo, Peru

The Canchayllo facility is a run-of-river hydroelectric facility with a rated capacity of approximately 5 MW located in the Canchayllo district of Peru. The facility was put into operation on January 1, 2015 and has a US dollar-denominated PPA with the MINEM that is effective until December 31, 2034. The current price of the PPA is $50.50 per MWh and has an inflation adjustment mechanism until the end of the PPA. The facility is expected to produce approximately 28,000 to 31,000 MWh per year.

For the three-month period ended June 30, 2020 and 2019, the Canchayllo facility generated revenue of $0.3 million and $0.4 million, respectively.

Generación Andina facilities– Huanuco, Perú: El Carmen facility and 8 de Agosto facility

El Carmen facility (~ 8 MW expected capacity) and 8 de Agosto facility (~ 20 MW expected capacity) are two run-of-river hydroelectric facilities in the Huanuco region of Peru. The construction of both facilities was completed during the fourth quarter of 2019. The El Carmen facility declared COD on November 30, 2019 and the 8 de Agosto facility declared COD on December 25, 2019, both commencing the delivery of electricity to the grid and recognition of the associated revenue on such dates.

To complete the construction of the Generación Andina facilities, we spent approximately $40.1 million during 2019, plus $4.0 million in the fourth quarter of 2018 and an additional $1.9 million in costs and expenses, including legal fees in connection with the acquisition of Union Energy Group ("UEG") and its subsidiaries, completed in October 2019. Under the terms of the Generación Andina amended and restated term facility agreement with Deutsche Investitions- und Entwicklungsgesellschaft and Nederlandse Financierings-Maatschappij voor de Ontwikelingslanden N.V., the aggregate contributions and costs incurred (defined as "Additional Project Capital"), which includes the $1.9 million in transaction costs and expenses previously mentioned, accrue a 15% annual return from October 30, 2019, the acquisition date, up to COD of both projects which amount will be capitalized once conditions with the lender are fulfilled, including the audit of the aforementioned costs by a third party. After the conditions are satisfied, a 15%

return on investment on the Additional Project Capital is payable to us semi-annually, out of cash flows from the Generación Andina facilities, after senior debt service.

Both facilities are connected to the national grid through a 60 km transmission line owned by us, which is at approximately 50% of its capacity now that the facilities are operating. While not anticipated in the short-term, it is possible that in the future the excess capacity on the transmission line can be sold to other projects that may be developed in the region.

For the three month period ended June 30, 2020, the 8 de Agosto facility generated $1.2 million in revenues, with average production for that period of 12.56 MW (net). During the six month period ended June 30, 2020, the 8 de Agosto and El Carmen facilities generated $2.9 million.

DEVELOPMENT PROPERTIES

San Jacinto Binary Project

We have thoroughly assessed the ability to extract waste heat from the brine that is currently produced from the production wells at the San Jacinto facility, and then re-injected into the field. Such brine is of a sufficient temperature that we expect that the Organic Rankin Cycle can be used to produce approximately 7-12 MWs of additional power, depending on the configuration of the injection system. A separate power contract would need to be negotiated to add the binary unit to the current plant. Based on initial capital cost estimates and anticipated power contract pricing, the project looks attractive economically.

Peru Development Projects

The early stage development pipeline in Peru consists of four small scale projects (ie: < 20 MW (net) average production per project) totaling approximately 70 MW (net) average production and one large scale project of approximately 119 MW (net) average production.

We are currently evaluating the projects and their viability, and due to the current conditions of the merchant market, we have focused our efforts on other development opportunities in Peru and the region. However, we think that in the medium to long term, such projects will have a greater probability of being developed.

Other North America Development Projects

We have been pursuing a course of action to divest various lease interests and otherwise reduce annual costs associated with these non-core assets, with strategic focus on maximizing the cash flow and profitability of our producing assets in Nicaragua and Peru.

SOCIAL AND ENVIRONMENTAL ACTIVITIES

The Company is committed to investing in the local communities surrounding its Nicaraguan and Peruvian facilities through programs aimed at improving the quality of education, sustainability of the environment, health of individuals, access to sports and agricultural processes.

Social and Environmental Programs, Nicaragua

PENSA has a variety of initiatives geared towards the educational context, such as helping bring education-related technologies to local elementary and high schools in the surrounding areas of the San Jacinto facility and has ensured the continuity of its projects throughout the COVID-19 pandemic. Other initiatives include the ¡Quiero Leer Para Aprender! ("I Want to Read so I can Learn") program, the "Learning Roots" project and the "Educational Robotics" pilot project. PENSA has also assisted with the implementation of the LEGO Education methodology in local schools, which has beneficial impacts on students' social, technical and cognitive development. PENSA's focus on environmental protection can be seen through the various campaigns it is part of, some of which include the planting of trees, cleanup of the community and prevention of forest fires. It has also created an environmental training program aimed at students and PENSA employees. With the assistance of other organizations, PENSA implemented the San Jacinto-Tizate Community Water Rehabilitation Project which is benefitting the five communities surrounding the San Jacinto facility. It has also donated equipment for the local health post, including a dentistry station and an ultrasound station. As part of its sports promotion program, PENSA has built and donated five sports fields in the different communities located near where we operate, and consistently promotes sports leagues among community members. PENSA also focuses its efforts in the agricultural context by assisting local farmers who produce a variety of products and donating useful machinery to help create efficiency in the agricultural process.

PENSA has donated personal and medical protective equipment to the local schools and health centers located in the San Jacinto-Tizane areas, to help the community in preventing and treating individuals diagnosed with COVID-19. PENSA also donated medical supplies, such as infrared thermometers and oximeters, to the health centers located in the area.

For the fourth consecutive year, PENSA has achieved the "Great Place to Work" certification, issued by the Great Place to Work organization.

Social and Environmental Programs, Peru

With its Peruvian facilities now in full operation, we continue to undertake a rigorous review of its social and environmental programs in the region with the aim of developing Peruvian programs similar to those undertaken and operating successfully in Nicaragua. Our first Peruvian initiative is aimed at assisting local farmers in the Monzon Valley district with crop yields and access to ready markets, the goal of which is to help improve their production practices, development and market strategy. We have also made donations to the local municipality, including pipelines that will be used to improve the local roads.

To date, our donations in relation to COVID-19 include those aimed at ensuring food security as well as the availability of detection tests at local health posts. We continue to search for ways to make a positive impact in the local community and their fight against COVID-19.

For further details about our social and environmental initiatives, please visit our corporate website at https://polarisinfrastructure.com/corporate-responsibility/.

RESPONSE TO THE COVID-19 PANDEMIC

At Polaris Infrastructure, our top priority has always been the health and safety of our employees, contractors and the communities in which we operate. After the World Health Organization declared COVID-19 a pandemic on March 11, 2020, we activated our safety protocols and crisis response plans in our facilities and offices in Peru, Nicaragua and Canada, and implemented preventive measures including restricting business travel and transitioning our corporate and local offices to work from home. While the transition to work from home caused some delays in preparing and processing accounting and administrative records, it did not impact continuity of our operations. We implemented screening procedures and visitor restrictions at each of our facilities and provided our employees with guidance regarding social distancing and routine temperature checks to ensure a safe environment for operations. All these measures were taken to ensure continuity of operations as we provide an essential service.

We continued to manage COVID-19 protocols through the second quarter of 2020, as the pandemic continued to present significant challenges to social and economic infrastructure worldwide. We have extended our mandates on social distancing, use of masks, appropriate testing of staff and reduced staffing where possible within our operating regions. As well, the pandemic did restrict our ability to restore operations at our El Carmen facility in Peru and put additional working capital pressures on local governments in terms of timing of settlement of payables related to energy sales, to power producers like us.

As of August 5, 2020, except for the previously mentioned delay in completing repair work at the El Carmen facility, our facilities and operations in Peru and Nicaragua, as well as our head office in Toronto have not been significantly impacted by COVID-19 and are operating without major issues. Further, to date our operations have not been materially affected from changes to our supply chain as a result of the various restrictions that local governments have instituted to date. However, given the unpredictable nature of the situation, no guarantee can be made that COVID-19 will not impact our operations in the future and we continue to closely monitor events and actions taken by local governments in the jurisdictions in which we operate, including those affecting our vendors, supply chain, customers and collection of accounts receivable, to determine their potential impact and any additional actions required to ensure our operations continue without major disruption.

FINANCIAL RESULTS

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Consolidated Statement of Operations and Comprehensive Earnings				
Revenue	$ 18,923	$ 17,269	$ 39,195	$ 35,870
Direct costs				
Other direct costs	(2,681)	(1,740)	(4,611)	(3,433)
Depreciation and amortization of plant assets	(6,380)	(5,951)	(12,807)	(11,786)
General and administrative expenses	(1,611)	(1,501)	(2,761)	(2,739)
Impairment loss	-	(11,564)	-	(11,564)
Other operating costs	(42)	(94)	(116)	(193)
Operating income	**$ 8,209**	**$ (3,581)**	**$ 18,900**	**$ 6,155**
Interest income	21	290	150	516
Finance costs	(4,414)	(4,111)	(9,119)	(8,682)
Other gains (losses)	(3,270)	513	(2,733)	(75)
Earnings and comprehensive earnings before income taxes	**$ 546**	**$ (6,889)**	**$ 7,198**	**$ (2,086)**
Income tax recovery (expense)	(1,571)	(1,721)	(3,832)	(3,144)
Total (loss) earnings and comprehensive (loss) earnings	**$ (1,025)**	**$ (8,610)**	**$ 3,366**	**$ (5,230)**
Total (loss) earnings and comprehensive (loss) earnings attributable to:				
Owners of the Company	(1,025)	(6,957)	3,335	(3,577)
Non-controlling interests	-	(1,653)	31	(1,653)
Basic (loss) earnings per share	$ (0.07)	$ (0.44)	$ 0.21	$ (0.23)

Three-month periods ended June 30, 2020 versus June 30, 2019

Revenue increased by $1.6 million to $18.9 million during the three months ended June 30, 2020, compared to $17.3 million in the same period of 2019 as a net result of the additional 27,421 MWh (net) contributed by the 8 de Agosto facility, coupled with a 1,263 MWh (net) increase in the Canchayllo facility's production, and a 721 MWh (net) increase in production generated by the San Jacinto facility.

Direct costs of energy production (other than depreciation and amortization) increased to $2.7 million for the three months ended June 30, 2020, compared to $1.7 million in the same period of 2019 due to additional production costs from the Generación Andina facilities. The depreciation and amortization expense associated with energy production (included in direct costs) for the three months ended June 30, 2020 was $6.4 million, which was $0.4 million higher than in the same period in 2019 also as a result of Generación Andina facilities' depreciation charges recognized in the second quarter of 2020.

General and administrative expenses for the three months ended June 30, 2020 was $1.6 million, $0.1 million higher than in the same period of 2019.

In the three months ended June 30, 2019, we recorded a $11.6 million impairment due to the write-off of the Casita project. No impairment has been recognized in the quarter ended June 30, 2020.

Interest income for the three month period ended June 30, 2020 was $0.02 million, compared to $0.3 million in the same period of 2019, as a result of a general decrease in the interest rates obtained in the period.

For the three months ended June 30, 2020, finance costs of $4.4 million were recorded, a slight increase of $0.3 million from the prior year period. The increase was the net result of interest of $0.4 million incurred on the Generación Andina facilities debt no longer capitalized, partly offset by a decrease in the interest from the San Jacinto facility's debt, when compared to the three-month period of 2019.

Other gains (losses) for the three months ended June 30, 2020 was a $3.3 million loss compared to a $0.5 million gain for the three months ended June 30, 2019. The fluctuation in the balance was mainly driven by a $2.8 million loss from the valuation of the conversion option of the debentures, and a $0.4 million loss on valuation of the warrants, both resulting from the increase in the Company's share price since March 31, 2020, coupled with a $0.5 million foreign exchange loss originated from the devaluation of the Canadian dollar against the US dollar.

We recognized loss attributable to us of $1.0 million for the three months ended June 30, 2020 compared to a $7.0 million loss for the same period in 2019. The $6.0 million decrease in loss was a net result of the $11.6 million impairment recorded in the three months ended June 30, 2019, coupled with the increase in revenue reported in the 2020 period, and partly offset by the increase in direct costs, depreciation and amortization, finance costs and other losses, reported in the three months ended June 30, 2020.

On a quarter over quarter basis, Adjusted EBITDA increased to $15.1 million from $14.4 million principally as a net result of the increase in revenue reported in the 2020 period, partly offset by the increase in direct costs, reported in the three months ended June 30, 2020, discussed above. *See the Non-GAAP Performance Measures section below for reconciliation of Adjusted EBITDA to Net earnings (loss) and comprehensive earnings (loss).*

Six-month period ended June 30, 2020 versus June 30, 2019

Revenue increased by $3.3 million to $39.2 million during the six months ended June 30, 2020, compared to $35.9 million in the same period of 2019 as a net result of the additional 65,029 MWh (net) contributed by the Generación Andina facilities, coupled with a 1,940 MWh (net) increase in the Canchayllo facility's production, and partly offset by a 2,758 MWh (net) decrease in production generated by the San Jacinto facility.

Direct costs of energy production (other than depreciation and amortization) increased to $4.6 million for the six months ended June 30, 2020, compared to $3.4 million in the same period of 2019 due to additional production costs from the Generación Andina facilities. The depreciation and amortization expense associated with energy production (included in direct costs) for the six months ended June 30, 2020 was $12.8 million, which was $1.0 million higher than in the same period in 2019 also as a result of Generación Andina facilities' depreciation charges recognized in the first half of 2020.

General and administrative expenses for the six months ended June 30, 2020 and 2019 were $2.8 million and $2.7 million, respectively, with no significant variance between the periods.

During the six months ended June 30, 2019, a $11.6 million impairment was recognized as a result of the write-off of the Casita project in Nicaragua. No impairment has been recorded during the first half of 2020.

Interest income for the six month period ended June 30, 2020 was $0.2 million, compared to $0.5 million in the same period of 2019, as a result of a general decrease in the interest rates obtained in the period.

For the six months ended June 30, 2020, finance costs of $9.1 million were recorded, representing an increase of $0.4 million from the prior year period, which resulted from the accretion on the debentures issued in May, 2019. The increase was the net result of interest of $0.8 million incurred on the Generación Andina facilities debt no longer capitalized, partly offset by a decrease in the interest from the San Jacinto facility's debt, when compared to the six-month period of 2019.

Other gains (losses) for the six months ended June 30, 2020 was $2.7 million loss compared to $0.1 million loss for the six months ended June 30, 2019. The fluctuation was mainly driven by a $3.2 million loss on valuation of the conversion option liability associated with the debentures issued in 2019.

We recognized earnings attributable to us of $3.3 million for the six months ended June 30, 2020 compared to a $3.6 million loss for the same period in 2019. The $6.9 million increase in earnings was driven primarily by the impairment recorded in the 2019 period, coupled with the increase in revenue and partly offset by the increase in direct costs, depreciation charges, and other gains (losses) recognized in the period.

Adjusted EBITDA increased to $32.1 million from $30.3 million principally as a result of the $3.4 million increase in revenue, partly offset by the $1.2 million increase in direct costs recognized during the period, discussed above. *See the Non-GAAP Performance Measures section below for reconciliation of Adjusted EBITDA to Net earnings (loss) and comprehensive earnings (loss).*

NON-GAAP PERFORMANCE MEASURES

The following tables reconcile Non-GAAP Performance Measures used by us in analyzing the operational performance of Polaris Infrastructure to their nearest IFRS measure, and should be read in conjunction with the Consolidated statement of operations and comprehensive earnings (loss) and Consolidated statement of cash flows included in the Consolidated financial statements as of June 30, 2020 and 2019.

EBITDA and Adjusted EBITDA

The following table reconciles net earnings and comprehensive earnings (loss) attributable to owners of the Company to our Non-GAAP Performance Measures EBITDA and Adjusted EBITDA:

	Three Months Ended		Six Months Ended	
(in thousands)	**June 30, 2020**	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
Net earnings and comprehensive earnings (loss) attributable to Owners of the Company	$ (1,025)	$ (6,957)	$ 3,335	$ (3,577)
Add (deduct):				
Net earnings (loss) attributable to non-controlling interest	-	(1,653)	31	(1,653)
Current and deferred tax expense	1,571	1,721	3,832	3,144
Finance costs	4,414	4,111	9,119	8,682
Interest income	(21)	(290)	(150)	(516)
Other losses	3,270	(513)	2,733	75
Acquisition costs	-	-	-	132
Decommissioning liabilities adjustments	(12)	34	42	70
Impairment loss	-	11,564	-	11,564
Depreciation and amortization of plant assets	6,485	5,951	12,912	11,786
Share-based compensation	439	464	253	600
Adjusted EBITDA	$ 15,121	$ 14,432	$ 32,107	$ 30,307
Add (deduct):				
Acquisition costs	-	-	-	(132)
Decommissioning liabilities adjustments	12	(34)	(42)	(70)
Impairment loss	-	(11,564)	-	(11,564)
Share-based compensation	(439)	(464)	(253)	(600)
EBITDA	$ 14,694	$ 2,370	$ 31,812	$ 17,941

Cash Flow from Operations

The following table reconciles Net cash from (used in) Operating activities to our Non-GAAP Performance Measures Cash flow from operations:

	Three Months Ended		Six Months Ended	
	June 30, 2020	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
Net cash from (used in) Operating activities	$ 9,518	$ 15,278	$ 18,416	$ 22,793
Adjust for:				
Changes in non-cash working capital:	2,472	(3,479)	7,034	1,230
Interest income	(21)	(290)	(150)	(516)
Other gains (losses)	1,419	(881)	295	(698)
Income tax	(1,571)	(1,721)	(3,832)	(3,144)
Other adjustments	(931)	190	702	373
Cash flow from operations	$ 10,886	$ 9,097	$ 22,465	$ 20,038
Per Share:				
Basic weighted average number of shares outstanding	15,706,299	15,706,299	15,706,299	15,702,189
Cash flows from operations	$ 0.69	$ 0.58	$ 1.43	$ 1.28

FINANCIAL POSITION AND LIQUIDITY

Liquidity and Capital Resources

The following is a summary and explanation of our cash flow activities:

		Three Months Ended		Six Months Ended	
(in thousands)		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net cash from (used in)					
Operating activities	$	9,518	$ 15,278	$ 18,416	$ 22,793
Investing activities		(536)	(4,560)	(2,561)	(10,926)
Financing activities		6,449	11,690	(206)	5,741
Foreign exchange gain on cash held in foreign currency		(5)	83	(4)	85
Increase (decrease) in cash	$	15,426	$ 22,491	$ 15,645	$ 17,693

- Net cash from operating activities for the period ended June 30, 2020 of $18.4 million, decreased by $4.4 million from the same period in 2019, mainly due to a $1.2 million increase in direct costs due to the Generación Andina facilities, as well as a $2.1 million increase in the accounts receivable balance, and no collection of the Peruvian General Sales Tax ("IGV") in 2020 compared to $2.5 million collection of IGV during 2019.
- Net cash used for investing activities decreased for the period ended June 30, 2020 by $8.4 million to $2.6 million from $10.9 million in the same period of 2019, due to the decrease in spending related to the construction of the Generación Andina facilities, El Carmen and 8 de Agosto facilities, which construction was completed in late December 2019, partly offset by lower capital expenditures incurred in the first quarter of 2020.
- Net cash used in financing activities for the period ended June 30, 2020 of $0.2 million decreased by $5.9 million compared to net cash from financing activities reported in the same period in 2019, as a result of $5.9 million higher repayment of debt during the six months ended June 30, 2020.

As of June 30, 2020, we held total cash of $48.2 million (December 31, 2019 - $32.6 million) restricted cash of $1.9 million (December 31, 2019 - $5.9 million) and working capital of $34.7 million (December 31, 2019 - $13.6 million). In addition to the amounts recorded as restricted cash described above, cash in the amount of $26.7 million and $23.1 million held by the Company as at June 30, 2020 and December 31, 2019, respectively, is restricted for use in the San Jacinto project and governed by the terms of the Trust and the Credit Agreements, where the process to withdraw funds is considered perfunctory to the agreement, as long as the required covenants and balances are met. The Credit Agreements require certain amounts to be held in reserve for future debt service as well as for future investment in the San Jacinto project through the major maintenance reserve account. Therefore, as these amounts are demand deposits that are held for the purpose of meeting short-term cash commitments of the San Jacinto project, the Company considers them as available cash, since they are available for current use.

During the six months ended June 30, 2020, PENSA repaid $8.1 million of principal on its San Jacinto facility credit facilities. As at June 30, 2020, PENSA had $137.1 million outstanding on those credit facilities.

During June 2020, the Canchayllo facility repaid the outstanding balance of its credit facilities which consisted of $4.2 million of principal and $0.1 million of interest. In addition, as at June 30, 2020, there was $20.5 million outstanding on the Generación Andina credit facilities.

On June 5, 2020, Andean Power Generation Ltd. (BVI) ("APG Ltd. (BVI)") entered into an agreement with the Brookfield Infrastructure Debt Fund ("Brookfield"), a global credit-focused fund managed by Brookfield Asset Management Inc., for a $27.0 million credit facility, with an 8.75% annual interest rate, payable semi-annually and a term of 8 years. Repayment of the principal occurs in installments with various amounts due throughout the term of the loan and $20.2 million due on maturity.

A $22.0 million initial advance was drawn on June 5, 2020, from which the Company was required to prefund the first debt service balance of $2.3 million, due in December 2020. The terms also included the refinancing of the Canchayllo Credit Agreement, which was repaid on June 30, 2020. Brookfield has also been granted senior security on the Canchayllo project and second security on the El Carmen and 8 de Agosto projects.

In addition to the $2.3 million prefund payment, the Company incurred approximately $2.1 million in costs to complete the transaction. The effective interest rate at June 30, 2020 is estimated as 11.15%.

The subsequent advance in the amount of $5.0 million was completed on July 17, 2020.

Liquidity Risk

Liquidity risk is the risk that we will be unable to meet our financial obligations as they become due. We manage liquidity risk by seeking to arrange to have sufficient cash, available credit facilities and other financial resources to allow us to meet our obligations. We forecast cash flows for a period of at least 12 months to identify financial requirements.

We believe that we have adequate liquidity to fund the routine capital expenditures associated with maintaining the San Jacinto facility, the Generación Andina facilities and the Canchayllo facility. Total days outstanding of receivables for the San Jacinto facility improved over the past year and has been stable to date, however we continue to monitor the situation closely.

During the year ended December 31, 2019, certain provisions of the San Jacinto facility PPA related to the payment guarantee were not fully complied with. Management agreed with the lenders to waive any potential non-compliance with the agreement through June 30, 2021, by having increased the debt service reserve account by $6.0 million.

The following are the maturities for the non-derivative and derivative financial liabilities as at June 30, 2020:

(in thousands)	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years	Total
Accounts payable and accrued liabilities	$ 11,654	$ -	$ -	$ -	$ 11,654
Debt, current and long-term	19,130	43,876	57,620	73,559	194,185
Interest obligations	7,745	12,214	7,482	4,661	32,102
	$ 38,529	$ 56,090	$ 65,102	$ 78,220	$ 237,941

The following are the annual principal obligations on our project credit facilities for the remaining terms of the loans:

(in $ thousands)	*San Jacinto*	*Generación Andina*	*APG Ltd. (BVI)*
2020	8,101	1,000	-
2021	18,055	2,010	1,000
2022	19,908	2,030	-
2023	21,760	2,050	300
2024	16,898	2,071	950
2025	14,703	2,092	950
2026	13,811	2,113	1,300
2027	14,534	2,134	1,300
2028	7,717	2,155	20,200
2029	1,384	2,177	-
2030	-	2,198	-
2031	-	2,220	-
2032	-	2,243	-
2033	-	2,265	-
2034	-	2,288	-
2035	-	2,310	-
2036	-	2,334	-
2037	-	4,726	-
2038	-	3,553	-
Total	$ 136,871	$ 43,969	$ 26,000

Interest on the San Jacinto facility credit facilities is due and payable quarterly and is currently estimated to be approximately $2.2 million each quarter. Interest on the APG Ltd. (BVI) credit facility is due and payable semi-annually and is currently estimated to be $1.3 million each period. We plan to make payments of interest on the San Jacinto and APG Ltd. (BVI) credit facilities out of our current cash and cash generated by operations. The Generación Andina credit facility bears no interest.

We believe that operating cash flow will be sufficient to allow us to fulfill our current obligations and continue to operate for the foreseeable future. Should additional capital requirements or the replacement of debt be necessary, we expect we could satisfy these requirements through debt restructurings, capital raises or asset sales. However, the outcome of these matters cannot be predicted with certainty at this time.

SHARE CAPITAL AND FINANCINGS

As of August 5, 2020, we had:

- 15,706,299 common shares outstanding,
- 300,000 share purchase warrants ("Warrants") to be issued in connection with the acquisition of the Peruvian projects, expiring on October 30, 2020, with an exercise price of Cdn$11.77, which may be exchanged for one Share per Warrant.
- 531,323 outstanding stock options, with a weighted average exercise price of Cdn$15.54 and 2.3 year remaining contractual life. The outstanding stock options' exercise prices range from Cdn$9.93 to Cdn$16.89 and expire from December 2021 to September 2024.
- Of the outstanding stock options, 324,323 are exercisable. We had 155,131 restricted shares outstanding as of August 5, 2020, all of which had vested.

SUMMARY OF UNAUDITED QUARTERLY RESULTS

The information provided below highlights our quarterly results for the past two years.

(in thousands, except for earnings (loss) per share)	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Production MWh	165,541	182,408	144,760	142,436
Revenue	$ 18,923	$ 20,272	$ 17,795	$ 17,586
Direct cost of energy production	(9,061)	(8,357)	(8,106)	(7,798)
General and administrative expenses	(1,611)	(1,150)	(1,300)	(970)
Other operating costs	(42)	(74)	(90)	(120)
Adjusted EBITDA	15,121	17,032	14,278	14,283
Finance costs	(4,414)	(4,705)	(4,608)	(4,812)
Net earnings attributable to owners of the Company	(1,025)	4,360	13,555	2,634
Basic and diluted weighted average number of shares outstanding	15,706	15,680	15,678	15,678
Earnings per share (basic and diluted) attributed to owners of the Company	$ (0.07)	$ 0.28	$ 0.86	$ 0.17
Cash	48,242	32,816	32,597	40,102
Restricted cash	1,921	2,116	5,941	4,757
Total equity attributable to Owners of the Company	207,850	211,249	209,233	196,108

(in thousands, except for earnings (loss) per share)	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Production MWh	136,136	147,602	148,498	144,411
Revenue	$ 17,269	$ 18,601	$ 18,286	$ 18,151
Direct cost of energy production	(7,691)	(7,528)	(8,006)	(7,563)
General and administrative expenses	(1,501)	(1,238)	(2,560)	(475)
Other operating costs	(94)	(99)	(287)	(52)
Adjusted EBITDA	14,432	15,875	13,296	15,495
Finance costs	(4,111)	(4,571)	(4,436)	(4,108)
Net earnings (loss) attributable to owners of the Company	(6,958)	3,380	8,775	3,980
Basic and diluted weighted average number of shares outstanding	15,673	15,675	15,675	39,916
Earnings (loss) per share (basic and diluted) attributed to owners of the Company	$ (0.44)	$ 0.22	$ 0.56	$ 0.10
Cash	55,534	33,011	37,809	39,916
Restricted cash	3,957	5,908	8,612	1,507
Total equity attributable to Owners of the Company	195,756	200,040	203,843	189,104

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Recent Pronouncements Issued and Early Adoption of Standards

We have reviewed new and revised accounting pronouncements that have been issued and are effective for periods beginning on or after January 1, 2020 and have determined that there are no new and revised accounting pronouncements impacting us, to date. For details with respect to these new accounting standards please refer to Note 3 of the consolidated financial statements and the notes thereto for the period ended June 30, 2020.

Critical accounting estimates

The timely preparation of the consolidated financial statements requires that management make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. Such estimates primarily relate to unsettled transactions and events as at the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts as future confirming events occur.

Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined in Note 3 of the consolidated financial statements and the notes thereto for the year ended December 31, 2019.

OTHER DISCLOSURES

Commitments

The Company enters into agreements for geothermal concessions, which minimum annual payments required as at June 30, 2020 and 2019 are:

	June 30, 2020	December 31, 2019
No later than one year	$ 31	$ 63
For years 2 - 5	305	315
Thereafter	676	727
Total commitments for expenditures	$ 1,012	$ 1,105

RISKS AND UNCERTAINTIES

The risks and uncertainties described in the Company's AIF for the year ended December 31, 2019 are considered by management to be the most important in the context of our business. The risks and uncertainties included in the AIF are not inclusive of all the risks and uncertainties the we may be subject to and other risks may apply.

In addition, as the Company's principal projects are based in Nicaragua and Peru, the Company faces risks associated with its operations in emerging markets including social, political and economic distress as well as currency and inflation-related risks. The Company believes that it has undertaken prudent measures, policies, practices and procedures to manage such risks and uncertainties but there can be no assurance that such challenges will not impact the Company's financial condition in the future.

The risks and uncertainties discussed in our current AIF and other filings with Canadian provincial securities regulatory authorities should be read in conjunction with the risks and uncertainties discussed throughout this MD&A. The AIF and other filings with Canadian provincial securities regulatory authorities are available on SEDAR at www.sedar.com.

DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate disclosure controls and internal controls over financial reporting as defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in our annual filings, interim filings, or other reports filed with Canadian securities regulatory authorities is recorded, processed, summarized and reported in a timely fashion. The disclosure controls and procedures are designed to ensure that information required to be disclosed in such reports is then accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

The Company has filed certificates signed by its Chief Executive Officer and Chief Financial Officer certifying certain matters with respect to the design of disclosure controls and procedures, and the design of internal controls over financial reporting as at June 30, 2020.

Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Internal controls over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with authorizations of management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the annual or interim financial statements.

There has been no change in the internal controls over financial reporting during the period ended June 30, 2020 that has materially affected, or is reasonably likely to materially affect, the internal controls over financial reporting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws, which may include, but is not limited to, financial and other projections as well as statements with respect to future events or future performance, management's expectations regarding our growth, results of operations, business prospects and opportunities, and the effects of the COVID-19 pandemic. In addition, statements relating to estimates of recoverable energy "resources" or energy generation capacities are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that electricity can be profitably generated from the described resources in the future. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "estimates", "goals", "intends", "targets", "aims", "likely", "typically", "potential", "probable", "projects", "continue", "strategy", "proposed", or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information in this MD&A includes, but is not limited to: the future development of the San Jacinto facility; additional changes to the wells and steamfield to increase production; the future development and execution of the recently acquired hydroelectric facilities in Peru; the costs of construction of a binary unit for the San Jacinto facility; development of the Casita project including obtaining the necessary permits and financing to begin exploitation drilling and initial development; potential strategic alternatives and the potential sale of geothermal and exploration and development properties; scheduled maintenance at the San Jacinto facility; and interest estimated in respect of the credit agreement entered into with Brookfield.

A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others: failure to discover and establish economically recoverable and sustainable resources through our exploration and development programs; imprecise estimation of probability simulations prepared to predict prospective resources or energy generation capacities; inability to complete hydro projects in the required time to meet COD; variations in project parameters and production rates; defects and adverse claims in the title to our properties; failure to obtain or maintain necessary licenses, permits and approvals from government authorities; the impact of changes in foreign currency exchange and interest rates; changes in government regulations and policies, including laws governing development, production, taxes, labour standards and occupational health, safety, toxic substances, resource exploitation and other matters; availability of government initiatives to support renewable energy generation; increase in industry competition; fluctuations in the market price of energy; impact of significant capital cost increases; unexpected or challenging geological conditions; changes to regulatory requirements, both regionally and internationally, governing development, geothermal or hydroelectric resources, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, project safety and other matters; economic, social and political risks arising from potential inability of end-users to support our properties; insufficient insurance coverage; inability to obtain equity or debt financing; fluctuations in the market price of our Shares and Warrants; impact of issuance of additional equity securities on the trading price of our Shares and Warrants; inability to retain key personnel; the risk of volatility in global financial conditions, as well as a significant decline in general economic conditions; uncertainty of political stability in countries where we operate; uncertainty of the ability of Nicaragua and Peru to sell power to neighbouring countries; economic insecurity in Nicaragua and Peru; and other development and operating risks, as well as those factors discussed in the section entitled "Risks and Uncertainties" in this MD&A. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. These factors are not intended to represent a complete list of the risk factors that could affect us. These factors should be carefully considered, and readers of this MD&A should not place undue reliance on forward-looking information.

Such forward-looking information is based on a number of material factors and assumptions, including: our historical financial and operating performance; that contracted parties provide goods and/or services on the agreed timeframes; the success and timely completion of planned exploration and expansion programs, including our ability to comply with local, state and federal regulations dealing with operational standards and environmental protection measures; our ability to negotiate and obtain PPAs on favourable terms; our ability to obtain necessary regulatory approvals, permits and licenses in a timely manner; the availability of materials, components or supplies; our ability to solicit competitive bids for drilling operations and obtain access to critical resources; the growth rate in net electricity consumption; continuing support and demand for renewables; continuing availability of government initiatives to support the development of renewable energy generation; the accuracy of volumetric reserve estimation methodology and probabilistic analysis used to estimate the quantity of potentially recoverable energy; environmental, administrative or regulatory barriers to the exploration and development of geothermal or hydroelectric resources of our properties; geological, geophysical, geochemical and other conditions at our properties; the reliability of technical data, including hydrological, extrapolated temperature gradient, geophysical and geochemical surveys and geothermometer calculations; the accuracy of capital expenditure estimates; availability of all necessary capital to fund exploration, development and expansion programs; our competitive position; the ability to continue as a going concern and general economic conditions.

Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is provided as at the date of this MD&A and we disclaim any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information due to the inherent uncertainty therein.

Additional information about the Company, including the Company's AIF for the year ended December 31, 2019 is available on SEDAR at www.sedar.com and on our website at www.polarisinfrastructure.com.