Condensed Consolidated Interim Financial Statements of

Vertex Resource Group Ltd.

For the three and nine month periods ended September 30, 2017
(Unaudited)

Vertex Resource Group Ltd.
September 30, 2017
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Vertex Resource Group Ltd.

Condensed consolidated interim statements of financial position

(in thousands of Canadian dollars)
(unaudited)

As at	Notes	September 30, 2017	December 31, 2016
Assets			
Current assets			
Cash and cash equivalents		**328**	44
Accounts receivable		**34,217**	21,442
Unbilled revenue		**4,480**	3,073
Inventories		**3,276**	2,168
Prepaid expenses and deposits		**1,368**	1,151
		43,669	27,878
Property and equipment	4	**55,548**	59,541
Intangible assets		**1,780**	1,083
Goodwill	5	**33,990**	27,598
Deferred income taxes		**3,230**	2,589
		138,217	118,689
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**12,418**	8,272
Deferred revenue		**549**	247
Income taxes payable		**59**	247
Current portion of loans and borrowings	6	**5,149**	54,865
Current portion of provisions	7	**2,787**	5,727
		20,962	69,358
Loans and borrowings	6	**55,096**	2,811
Provisions	7	**794**	4,896
Deferred income taxes		**1,834**	790
		78,686	77,855
Equity			
Common shares	8	**77,854**	57,912
Deficit		**(19,210)**	(17,965)
Contributed surplus		**887**	887
		59,531	40,834
		138,217	118,689
Subsequent events	15		

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

Vertex Resource Group Ltd.

Condensed consolidated interim statements of loss and comprehensive loss

(in thousands of Canadian dollars, except per share amounts)
(unaudited)

		Three months ended September 30,		Nine months ended September 30,	
	Notes	**2017**	2016	**2017**	2016
Revenue		**34,989**	20,519	**82,647**	61,142
Cost of goods sold		**25,814**	14,967	**59,107**	43,819
Gross profit		**9,175**	5,552	**23,540**	17,323
General and administrative expenses		**4,245**	4,054	**12,176**	10,578
Other expenses (income)	10	**260**	1,991	**(493)**	2,482
Income before taxes, finance costs, amortization		**4,670**	(493)	**11,857**	4,263
Amortization	4	**3,378**	3,384	**10,128**	9,632
Finance costs	10	**1,555**	1,021	**3,473**	2,847
Loss before income taxes		**(263)**	(4,898)	**(1,744)**	(8,216)
Income tax recovery		**(65)**	(1,357)	**(499)**	(2,488)
Net loss and comprehensive loss for the period		**(198)**	(3,541)	**(1,245)**	(5,728)
Net loss and comprehensive loss for the period per share	11				
Basic and diluted		**(0.01)**	(0.28)	**(0.06)**	(0.45)
Weighted average number of shares outstanding for the purpose of calculating earnings per share	11				
Basic and diluted		**21,766,692**	12,675,739	**19,373,713**	12,633,626

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

Vertex Resource Group Ltd.

Condensed consolidated interim statements of changes in shareholders’ equity

(in thousands of Canadian dollars)
(unaudited)

For nine month period ended	Notes	**September 30, 2017**	September 30, 2016
Share capital	8		
Balance, beginning of the period		**57,912**	45,667
Shares issued in business acquisitions	3	**11,064**	-
Shares issued in settlement of acquisition obligation	7a	**6,727**	-
Shares issued in settlement of advances from shareholders	6e	**2,151**	-
Share redemption		**-**	(52)
Balance, end of the period		**77,854**	45,615
Contributed Surplus			
Balance, beginning of the period		**887**	887
Balance, end of the period		**887**	887
Deficit			
Balance, beginning of the period		**(17,965)**	(9,798)
Net loss and comprehensive loss for the period		**(1,245)**	(5,728)
Share redemption		**-**	(585)
Balance, end of the period		**(19,210)**	(16,111)
Total equity		**59,531**	30,391

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

Vertex Resource Group Ltd.

Condensed consolidated interim statements of cash flows

(in thousands of Canadian dollars, except per share amounts)
(unaudited)

For the nine month period ended	Notes	September 30, 2017	September 30, 2016
Operating activities			
Net loss		**(1,245)**	(5,728)
Items not affecting cash			
Amortization - property and equipment		**8,875**	9,632
Amortization - intangible assets		**1,253**	-
Deferred financing charges		**128**	-
Interest on other liabilities		**640**	578
Gain on disposal of property and equipment		**(235)**	(624)
Gain on acquisition		**(636)**	-
Deferred income taxes		**(483)**	(2,521)
Gain on settlement of contingent consideration		**-**	(1,000)
Restructuring costs		**-**	1,815
		8,297	2,152
Change in non-cash operating working capital items	13	**(12,133)**	4,556
		(3,836)	6,708
Investing activities			
Acquisition of subsidiaries, net of cash acquired		**2,072**	-
Purchase of property and equipment		**(2,327)**	(3,960)
Proceeds from disposal of property and equipment		**1,340**	6,252
		1,085	2,292
Financing activities			
Proceeds from operating loan	6	**3,831**	481
Proceeds from senior debt	6	**40,000**	-
Financing charges - deferred	6	**(2,569)**	-
Repayment of long-term debt	6	**(36,937)**	(3,673)
Repayment of obligation under capital lease		**(335)**	(226)
Repayment of onerous contracts		**(955)**	-
Repayment of acquisition obligation		**-**	(3,500)
Repayment of advances from shareholders	12	**-**	(686)
Redemption of common shares		**-**	(52)
		3,035	(7,656)
Increase in cash and cash equivalents		**284**	1,344
Cash and cash equivalents (bank indebtedness), beginning of period		**44**	(1,149)
Cash and cash equivalents, end of period		**328**	195
Comprised of:			
Cash and cash equivalents		**624**	510
Cheques issued in excess of cash on deposit		**(296)**	(315)
		328	195

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

1. Description of business

Vertex Resource Group Ltd. (the "Company") was a private company incorporated under the Alberta Business Corporation Act as of September 30, 2017. On October 16, 2017, the Company completed a qualifying transaction as outlined in Note 15 and on October 18, 2017 became a public listed company on the TSX Venture Exchange trading under the symbol VTX. The Company provides services to a diverse clientele across Western Canada. The Company performs environmental and industrial services.

Activity levels in both the environmental services segment and industrial services segment are affected by seasonality as well as industry trends in the industries in which its customers operate.

In Canada, the level of activity in the environmental services and oilfield services sector is influenced by seasonal weather patterns. On a quarterly basis, activity can vary greatly. In typical years, the first calendar quarter is the most active in the oil and gas services industry, the second quarter is the least active, and the third and fourth quarters typically reflect increasing activity over the preceding quarter. Environmental and industrial services are typically the busiest during the third and fourth quarters with lower activity levels in the first and second quarters. In particular, during the second quarter, commonly referred to as the "spring break-up", the frost leaves the ground making certain roads incapable of supporting the weight of heavy equipment resulting in restrictions in the level of industrial and energy service activity across western Canada.

2. Basis of preparation

a) *Statement of compliance*

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements were approved by the Board of Directors (the "Directors") on November 6, 2017. These condensed consolidated interim financial statements have been prepared using the same accounting policies as the Company's 2016 annual audited consolidated financial statements. They do not include all of the information required for a complete set of IFRS financial statements and as such should be read in conjunction with the Company's 2016 annual audited consolidated financial statements. However, select explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last financial statements.

b) *Basis of measurement*

The Company's condensed consolidated interim financial statements have been prepared on a going concern basis, under the historical cost model, except for certain financial instruments measured at fair value.

c) *Functional and presentation currency*

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand except where otherwise stated.

(in thousands of Canadian dollars, except per share amounts)

d) Principles of Consolidation

These condensed consolidated interim financial statements include the results of the Company and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and continue to be consolidated until the date control ceases. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

The Company's principal subsidiaries at September 30 2017 are Vertex Resource Services Ltd., Vertex Professional Services Ltd. and Vertex Oilfield Services Ltd. For the nine month period ended September 30, 2017, the scope of consolidation for these condensed consolidated interim financial statements encompassed 18 wholly owned entities, of which four were first-time consolidation. The first-time consolidations were the result of the acquisitions of Hurricane Industries Corporation, The Barlon Engineering Group Ltd., Excel Engineering Services Ltd. and Kinetichem Corp. The Company has applied uniform accounting policies throughout all consolidated entities and reporting dates of the subsidiaries are all consistent with the Company.

e) Use of estimates and judgments

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

3. Business acquisitions

During the nine month period ended September 30, 2017, the Company completed four acquisitions compared to one acquisition in the period ended December 31, 2016. Details of the preliminary purchase price and allocation to the assets and liabilities acquired are as follows:

	Hurricane (a)	Barlon (b)	Excel (c)	Kinetichem (d)	**2017 Total**
Cash and cash equivalents	3	605	489	975	**2,072**
Other current assets	547	2,628	433	386	**3,994**
Property and equipment	2,620	37	821	-	**3,478**
Deferred tax asset	159	-	3	-	**162**
Intangibles	-	1,000	950	-	**1,950**
Goodwill	-	1,999	1,011	3,382	**6,392**
	3,329	6,269	3,707	4,743	**18,048**
Current liabilities	(797)	(3,299)	(834)	(183)	**(5,113)**
Obligation under capital leases	(190)	-	-	-	**(190)**
Deferred tax liability	(302)	(270)	(473)	-	**(1,045)**
Net assets	2,040	2,700	2,400	4,560	**11,700**

a) *Hurricane Industries Corporation.*

On May 31, 2017, the Company reached an agreement to purchase 100% of the outstanding shares of Hurricane Industries Corporation ("Hurricane"), an environmental service company specializing in vacuum, pressure and stable foam operations based in Lloydminster, Alberta, for $1.4 million. For the total consideration of $1.4 million, the Company issued 401,115 Class A Common shares. Based on the initial allocation of fair values the company identified a gain on acquisition of $0.6 million. This gain on acquisition was the result of Hurricane's shareholders desiring access to a broader market and the benefits of increased equipment utilization that the Company could provide.

b) *The Barlon Engineering Group Ltd.*

On May 31, 2017, the Company reached an agreement to purchase 100% of the outstanding shares of The Barlon Engineering Group Ltd. ("Barlon"), an abandonment, completion and drilling engineering company based in Calgary, Alberta, for $2.7 million. For the total consideration of $2.7 million, the Company issued 771,429 Class A Common shares. Goodwill on acquisition was attributable primarily to the skills and competence of the acquired workforce and growth opportunity of the combined operations. Goodwill is not deductible for tax purposes.

c) *Excel Engineering Services Ltd.*

On June 30, 2017, the Company reached an agreement to purchase 100% of the outstanding shares of Excel Engineering Services Ltd. ("Excel"), an estimating and project management company based in Sherwood Park, Alberta, for $2.4 million. For the total consideration of $2.4 million, the Company issued 631,580 Class A Common shares. Goodwill on acquisition was attributable primarily to the skills and competence of the acquired workforce and growth opportunity of the combined operations. Goodwill is not deductible for tax purposes.

d) *Kinetichem Corp.*

On June 30, 2017, the Company reached an agreement to purchase 100% of the outstanding shares of Kinetichem Corp. ("Kinetichem"), engineered chemical solutions provider based in Calgary, Alberta for $4.6 million. For the total consideration of $4.6 million, the Company issued 1,200,000 Class A Common shares. Goodwill on acquisition was attributable primarily to the growth opportunity of the combined operations. Goodwill is not deductible for tax purposes. Of the $4.6 million consideration, $3.1 million is contingent on Kinetichem's cumulative EBITDA over the next three years exceeding $4.2 million. Accordingly, 805,263 of the shares issued for the acquisition were issued in escrow for the next 3 years based on EBITDA targets and a fixed number of shares to be issued.

Revenue and net loss from the date of acquisitions of Hurricane, Barlon, Excel and Kinetichem to September 30, 2017 were $5.4 million and $0.3 million, respectively. The Company estimates it would have reported consolidated revenue of approximately $98.0 million and a net loss of approximately $0.6 million for the nine-month period ended September 30, 2017 if the acquisitions had been completed on January 1, 2017.

The Company confirms the preliminary purchase price allocations are incomplete as the Company does not yet have complete and final information on the acquisitions. Specifically, the Company has not confirmed and verified all information from the acquired companies with respect to property and equipment, inventory pricing, accrued liabilities, intangibles and fair value considerations to determine a final purchase price.

(in thousands of Canadian dollars, except per share amounts)

4. Property and equipment

	Land	Buildings and improvements	Machinery and equipment	Office furniture and equipment	Rolling stock	Total
Cost						
As at December 31, 2015	1,436	14,314	65,223	7,054	31,343	119,370
Additions	-	211	1,382	138	3,047	4,777
Additions from business acquisition	-	6	5,805	169	1,269	7,250
Disposals	(1,116)	(6,249)	(13,446)	(1,424)	(7,838)	(30,073)
As at December 31, 2016	320	8,282	58,964	5,937	27,821	101,324
Additions	-	2	900	183	1,423	2,508
Additions from business acquisition (Note 3)	-	6	328	937	2,207	3,478
Disposals	-	-	(346)	-	(2,300)	(2,646)
As at September 30, 2017	**320**	**8,290**	**59,846**	**7,057**	**29,151**	**104,664**
Accumulated amortization						
As at December 31, 2015	-	7,069	32,048	3,875	8,140	51,131
Amortization	-	1,732	4,939	1,102	4,878	12,651
Disposals	-	(3,547)	(12,096)	(1,562)	(4,795)	(22,000)
As at December 31, 2016	-	5,253	24,891	3,415	8,223	41,782
Amortization	-	1,038	4,292	490	3,055	8,875
Disposals	-	-	(202)	-	(1,340)	(1,542)
As at September 30, 2017	**-**	**6,291**	**28,981**	**3,905**	**9,938**	**49,115**
Carrying value						
As at December 31, 2016	320	3,029	34,073	2,522	19,598	59,541
As at September 30, 2017	**320**	**1,999**	**30,865**	**3,152**	**19,213**	**55,548**
Carrying value of assets under finance lease						
As at December 31, 2016	-	-	-	-	1,231	1,231
As at September 30, 2017	**-**	**-**	**-**	**-**	**1,781**	**1,781**

Rolling stock acquired under capital leases during the nine month period ended September 30, 2017 totaled $0.2 million (nine month period ended September 30, 2016 - $ nil) and have been treated as non-cash transactions for purposes of the consolidated statement of cash flows.

(in thousands of Canadian dollars, except per share amounts)

5. Goodwill

Goodwill is monitored by management at the level of the consulting, fluid management and rentals cash-generating units. A cash-generating unit level summary of the goodwill allocation is presented below:

	Consulting	Fluid Management	Rentals	Total
Cost				
As at December 31, 2015	17,750	3,893	-	21,643
Additions - Red Giant acquisition	-	-	5,955	5,955
As at December 31, 2016	17,750	3,893	5,955	27,598
Additions - Barlon acquisition	1,999	-	-	1,999
Additions - Excel acquisition	1,011	-	-	1,011
Additions - Kinetichem acquisition	-	3,382	-	3,382
As at September 30, 2017	**20,760**	**7,275**	**5,955**	**33,990**
Carrying value				
As at December 31, 2016	17,750	3,893	5,955	27,598
As at September 30, 2017	**20,760**	**7,275**	**5,955**	**33,990**

All cash generating units noted above are reported within the Environmental segment.

6. Loans and borrowings

	September 30, 2017			December 31, 2016		
	Current	Non-current	Total	Current	Non-current	Total
Secured						
Operating loan (a)	-	15,806	15,806	11,975	-	11,975
Bank loans (b)	85	-	85	37,022	-	37,022
Senior debt (c)	4,500	33,059	37,559	-	-	-
Subordinated debt (d)	-	5,500	5,500	5,500	-	5,500
Lease liabilities	564	731	1,295	368	660	1,028
Total Secured borrowings	5,149	55,096	60,245	54,865	660	55,525
Unsecured						
Advance from shareholders (	-	-	-	-	2,151	2,151
Total borrowings	**5,149**	**55,096**	**60,245**	**54,865**	**2,811**	**57,676**

a) Operating loan

On June 23, 2017, the Company refinanced its operating loan and the authorized maximum of $20.0 million remains unchanged. The new facility is a three year committed loan maturing June 22, 2020. The operating loan can be drawn by a mix of account overdraft with interest at rates ranging from prime rate plus 1.25%-2.75%, Bankers' Acceptance rate plus stamping fees of 2.25%-3.75%, letter of credit at rates of 2.25%-3.75%. The Company pays a standby fee on any unutilized portion of the operating loan facility on the last day of each fiscal quarter at rates ranging from 0.45%-0.75%. The interest rate ranges are based on the funded debt to EBITDA ratio for the preceding quarter.

(in thousands of Canadian dollars, except per share amounts)

b) Bank loans

	Nominal interest rate	Maturity date	**September 30, 2017**	December 31, 2016
	Bankers acceptance +			
Extendable revolving loan	3.00%	May 31, 2017	**-**	32,500
Demand non-revolving loan	Prime +1.0%	November 14, 2016	**-**	1,557
Demand non-revolving loan	Prime +1.0%	January 27, 2020	**-**	1,519
Demand non-revolving loan	Prime +1.0%	July 30, 2019	**-**	1,292
Term loan	7.25%	July 17, 2018	**85**	154
Total bank loans			**85**	37,022

On June 23, 2017, the Company refinanced its extendable revolving loan and demand non-revolving loans. The extendable revolving loan and the three demand non-revolving loans were repaid from the proceeds of new senior debt facility of $40.0 million.

c) Senior debt

On June 23, 2017, the Company obtained a new senior debt facility of $40 million and incurred $2.6 million of transaction costs which were capitalized and are being amortized on a straight line basis over the five year term of the loan.

	September 30, 2017	December 31, 2016
Senior debt - face value	40,000	-
Transaction costs	2,441	-
Carrying amount	**37,559**	-

The new senior debt facility bears interest at the greater of 1.0% or the 30 day Banker's Acceptance rate quoted from the Bank of Canada plus 8.0%. The senior debt credit facility is repayable in 3 quarterly principal payments of $1,000, followed by 4 quarterly principal payments of $1,500, followed by 12 quarterly principal payments of $1,750 with a final payment of $10,000 due on loan maturity of June 22, 2022. Interest is payable quarterly. In addition to the scheduled principal payments the senior debt includes an additional principal payment based on an annual excess cash flow calculation starting December 31, 2017.

d) Subordinated debt

On June 23, 2017 when the Company refinanced its senior debt the maturity date of the subordinated debt was extended to June 30, 2022. This bears interest at 14.0% and the Company makes monthly interest payments. There is no principal repayment schedule other than payment in full at maturity.

e) Advances from shareholders

On January 5, 2017, the $2.2 million advance from shareholders, from a director of the Company, was settled in exchange for 746,938 Class A common shares of the Company and has been treated as a non-cash transaction for the purposes of the consolidated statement of cash flows.

(in thousands of Canadian dollars, except per share amounts)

f) Borrowing covenants – Operating loan and Senior debt

In conjunction with the operating loan and senior debt, Vertex is subject to the following financial covenants:

- The ratio of consolidated senior indebtedness to trailing EBITDA, calculated on a trailing twelve month basis, must not exceed:
  - 4.25 to 1.00 for the quarters ending September 30, 2017 and December 31, 2017;
  - 3.75 to 1.00 for all quarters ending in fiscal 2018;
  - 3.25 to 1.00 for all quarters ending in fiscal 2019;
  - 2.75 to 1.00 thereafter.
- The ratio of net cash flow to fixed charges, the Fixed Charge Coverage ratio, must be more than 1.20 to 1.00 calculated on a rolling four-quarter basis.
- Working capital ratio must be more than 1.25 to 1.00 calculated on a quarterly basis.

The relevant definitions of key ratio terms set forth in operating loan and senior debt facilities are as follows:

- Consolidated senior indebtedness is defined as the outstanding balance of the operating loan, plus the outstanding principal balance of senior debt, plus principal portions of any capital lease obligations.
- EBITDA is defined as net income before interest, taxes, depreciation and amortization, gains and losses on disposal of assets, amortization of capitalized deferred financing costs, goodwill/intangible impairment, stock-based compensation, and other gains and losses not considered reflective of underlying operations. Trailing twelve month EBITDA attributable to businesses acquired in the period are permitted to be added to EBITDA.
- Net cash flow is defined as EBITDA reduced by net capital expenditures and cash taxes.
- Fixed charges is calculated as interest expense plus scheduled principal payments of indebtedness during the twelve month trailing period.
- Current assets for the working capital ratio are calculated as current assets at the balance sheet date less cash and current deferred tax asset balances, if any. Current liabilities are calculated as current liabilities at the balance sheet date less, to the extend they are included in current liabilities, operating loan, current portion of loans and borrowings, current deferred tax liabilities and unearned revenue.

The operating loan, senior debt and subordinated debt agreements contain cross default clauses, such that a breach in one agreement results in all three agreements being in breach. At September 30, 2017 the Company was in compliance with the terms and covenants of its lending agreements which are calculated as follows:

	Target	**September 30, 2017**	December 31, 2016
Operating loan & senior debt			
Funded debt to EBITDA	< 4.25 : 1	**3.82**	-
Fixed charge coverage ratio	> 1.20 : 1	**1.67**	-
Working capital ratio	> 1.25 : 1	**3.21**	-
Revolving & non-revolving loans			
Funded debt to EBITDA	< 3.50 : 1	**-**	4.10
Fixed charge coverage ratio	> 1.25 : 1	**-**	1.44
Working capital ratio	> 1.25 : 1	**-**	3.34

(in thousands of Canadian dollars, except per share amounts)

g) Borrowing covenants – Subordinated debt

In conjunction with the subordinated debt, Vertex is subject to the following financial covenants that are calculated on an annual basis at December 31, 2017:

- The ratio of adjusted working capital to annual gross sales or the preceding year must be greater than 30%.
- The ratio of term debt to tangible equity must be less than 0.90 to 1.00.

The relevant definitions of key ratio terms set forth in subordinated debt facility is as follows:

- Adjusted working capital is defined as current assets at the balance sheet date less current deferred tax asset, if any, plus the net book value of capital assets. Current liabilities at the balance sheet date plus the operating loan to the extent it is not included, less current portion of loans and borrowings, plus the total outstanding balance of senior debt.
- Term debt is defined as all loans and borrowing less the operating loan.

The subordinated debt covenant was in compliance at December 31, 2016.

	Target	**December 31, 2017**	December 31, 2016
Subordinated debt			
Adjusted working capital as a percentage of sales	> 30%	**TBD**	34.3%
Term debt to tangible net worth	< 0.90 : 1	**TBD**	0.78

(in thousands of Canadian dollars, except per share amounts)

7. Provisions

	Onerous lease	Acquisition obligation (a)	Total
As at December 31, 2015	-	11,716	11,716
Additions	3,323	-	3,323
Interest accretion during the period	115	717	832
Gain on revaluation of contingent consideration	-	(1,000)	(1,000)
Payments	(748)	(3,500)	(4,248)
As at December 31, 2016	2,690	7,933	10,623
Interest accretion during the period	105	535	640
Settlement in exchange for class A common shares	-	(6,727)	(6,727)
Payments	(955)	-	(955)
As at September 30, 2017	**1,840**	**1,741**	**3,581**

Provisions are presented on the consolidated interim statements of financial position as follows:

	September 30, 2017	December 31, 2016
Current portion of provisions	**2,787**	5,727
Non-current portion of provisions	**794**	4,896
	3,581	10,623

a) Acquisition obligation

On May 31, 2017, the acquisition obligation with an aggregate face value of $6.7 million was settled in exchange for 1,922,070 Class A common shares of the Company and has been treated as a non-cash transaction for the purposes of the consolidated statement of cash flows. The remaining acquisition obligation with an aggregate face value of $1.7 million will be settled for 506,400 Class A common shares of the Company on January 10, 2018.

(in thousands of Canadian dollars, except per share amounts)

8. Share capital

Common shares

Authorized, unlimited number
Class A common voting shares
Class B common non-voting shares

	Notes	Class A	Amount
As at December 31, 2015		12,641,816	45,667
Shares issued in business combination		3,993,056	11,500
Shares issued in settlement of advances from		276,952	797
Share redemption		(13,000)	(52)
As at December 31, 2016		16,898,824	57,912
Shares issued in business combinations	3(a), (b), (c), (d)	3,004,124	11,064
Shares issued in settlement of advances from	6(e)	746,938	2,151
Shares issued in settlement of acquisition obligation	7(a)	1,922,070	6,727
As at September 30, 2017		**22,571,956**	**77,854**

The purchase agreement to acquire the shares of Kinetichem Corp. Note 3(d) contains a provision for 805,263 of the shares issued in business combinations to be issued in escrow and released based on achieving EBITDA targets. The shares in escrow that are contingently issuable have been excluded from the earnings per shares calculation.

9. Stock-based compensation

On August 31, 2015, the grant date, the Company issued 578,212 warrants (the "Warrant Awards") to two directors of the Company. The Warrant Awards vested immediately on the date of grant. Each warrant entitles the holder to purchase a Class A common share at an exercise price of $4.55 per Class A common share. The exercise price of each warrant of $4.55 was equal to the fair value of a Class A common share on August 31, 2015. The Warrant Awards expire in five years, or August 31, 2020.

The following warrants were issued and outstanding:

Date issued	Number issued	Expiry date	Exercise price (per warrant)	Fair value at grant date (per warrant)	Number outstanding as at September 30, 2017	Number outstanding as at December 31, 2016
			$	$		
August 31, 2015	578,212	August 31, 2020	4.55	1.24	578,212	578,212

The weighted average exercise price of the warrants outstanding as at September 30, 2017 was $4.55 (December 31, 2016 - $4.55).

Total compensation cost recognized for stock-based compensation awards for the nine month period ended September 30, 2017, is $nil (September 2016 - $nil) and is credited to the share based payment reserve on the consolidated statements of financial position. There were no forfeitures incurred during the year.

(in thousands of Canadian dollars, except per share amounts)

10. Other expenses (income) and finance costs

	September 30, 2017 (3 months)	September 30, 2016 (3 months)	**September 30, 2017 (9 months)**	September 30, 2016 (9 months)
Other expenses (income):				
Transaction costs	**378**	-	**378**	-
Gain on disposal of property and equipment	**(118)**	(36)	**(235)**	(624)
Gain on acquisition	**-**	-	**(636)**	-
Onerous lease provision	**-**	1,815	**-**	1,995
Severance costs on restructuring	**-**	199	**-**	1,767
Lease termination settlements	**-**	13	**-**	344
Gain on settlement of contingent consideration	**-**	-	**-**	(1,000)
	260	1,991	**(493)**	2,482
Finance costs:				
Interest on long-term debt	**1,248**	841	**2,546**	2,221
Interest on acquisition obligation	**30**	162	**535**	578
Interest on onerous lease	**31**	-	**105**	-
Interest on finance leases	**20**	18	**50**	48
Financing and bank charges	**226**	-	**237**	-
	1,555	1,021	**3,473**	2,847

11. Earnings per share

	September 30, 2017 (3 months)	September 30, 2016 (3 months)	**September 30, 2017 (9 months)**	September 30, 2016 (9 months)
Numerator				
Net loss and comprehensive loss for the period	**(198)**	(3,541)	**(1,245)**	(5,728)
Denominator				
Weighted average shares outstanding - basic & diluted	**21,766,692**	12,675,739	**19,373,713**	12,633,626
Loss per share				
Basic	**(0.01)**	(0.28)	**(0.06)**	(0.45)
Diluted	**(0.01)**	(0.28)	**(0.06)**	(0.45)

In calculating the loss per share for the three and nine month periods ended September 30, 2017, the Company excluded 578,212 warrants (three and nine month ended September 30, 2016 – 578,212), as their impact was anti-dilutive.

(in thousands of Canadian dollars, except per share amounts)

12. Related party transactions

All related party transactions are provided in the normal course of business materially under the same commercial terms and conditions as transactions with unrelated companies and are recorded at the exchange amount. Related party transactions include transactions with other private companies that are owned or controlled by a director.

	Nature of relationship	**September 30, 2017 (3 months)**	September 30, 2016 (3 months)	**September 30, 2017 (9 months)**	September 30, 2016 (9 months)
Transactions:					
General and administrative expenses - rent	(i)	**225**	225	**675**	475
Repayments of advances from shareholders	(i)	**-**	60	**-**	686
Property and equipment additions	(i)	**-**	-	**489**	-
Proceeds from sale of property and equipment	(i)	**-**	-	**75**	4,973

(i) Related by common director

13. Supplemental cash flow information

	September 30, 2017 (9 months)	September 30, 2016 (9 months)
Changes in non-cash working capital:		
Trade and other receivables	**(9,325)**	4,914
Corporate income taxes recoverable	**-**	231
Unbilled revenue	**(1,407)**	3,077
Inventories	**(603)**	40
Prepaid expenses and deposits	**(175)**	(75)
Accounts payable and accrued liabilities	**(648)**	(3,426)
Deferred revenue	**302**	(205)
Income taxes payable	**(277)**	-
	(12,133)	4,556
Net cash paid (received) during the period for:		
Interest	**1,595**	2,269
Income taxes	**261**	(217)

(in thousands of Canadian dollars, except per share amounts)

14. Segmented information

The Company operates as an environmental and industrial services provider which form its two reporting segments. The accounting policies and practices for each of the segments are the same as those described in Note 2. Segment capital expenditures are the total costs incurred during the year to acquire property and equipment and intangible assets.

a) *Environmental* – the Company provides a variety of services related to assisting their clients meet internal environmental standards, regulatory environmental standards and related environmental compliance needs. These services span multiple industries including infrastructure, mining, oil and gas, telecommunications and utility.

b) *Industrial* - the Company offers services related to infrastructure or facility construction, as well as, the maintenance of those same assets. These services span a range of industries including agriculture, forestry, governments, midstream companies, public infrastructure, oil and gas production companies, potash and utilities.

For the three month period ended September 30, 2017

	Environmental		Industrial		Corporate		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Revenue	**19,464**	10,148	**15,491**	10,197	**34**	174	**34,989**	20,519
Net Income (loss) before tax	**1,455**	(1,247)	**1,408**	358	**(3,126)**	(4,009)	**(263)**	(4,898)
Amortization	**2,791**	2,497	**587**	887	**-**	-	**3,378**	3,384
Capital expenditures	**461**	418	**142**	4	**-**	-	**603**	422

For the nine month period ended September 30, 2017

	Environmental		Industrial		Corporate		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Revenue	**52,528**	32,665	**30,044**	28,224	**75**	253	**82,647**	61,142
Net Income (loss) before tax	**3,387**	(4,863)	**1,691**	1,534	**(6,822)**	(4,887)	**(1,744)**	(8,216)
Amortization	**8,343**	7,106	**1,785**	2,526	**-**	-	**10,128**	9,632
Capital expenditures	**2,314**	4,019	**194**	236	**-**	-	**2,508**	4,255
Total asset	**110,387**	75,587	**24,865**	26,683	**2,965**	5,103	**138,217**	107,373
Goodwill and Intangible assets	**35,770**	21,643	**-**	-	**-**	-	**35,770**	21,643
Total liabilities	**10,644**	20,904	**5,844**	8,355	**62,198**	47,138	**78,686**	76,397

(in thousands of Canadian dollars, except per share amounts)

15. Subsequent events

a) Qualifying transaction

The Company has entered into a letter of intent as of July 17, 2017 (the "LOI") with VIER Capital Corp. ("VIER"), a Capital Pool Corporation as defined in Policy 2.4 on the TSX Venture Exchange (the "Exchange") and trades under the symbol VIE.P. Whereby VIER will acquire all of the issued and outstanding securities of the Company by way of an arrangement, share exchange or similar transaction (the "Transaction"), subject to the terms and conditions outlined below. Vertex intends that the Transaction will constitute a Qualifying Transaction, as such term is defined in the policies of the Exchange.

In connection with the Transaction, the Company anticipates that the 7,350,000 currently issued and outstanding shares of VIER will be consolidated (the "Consolidation") on a 10 to 1 basis. The preliminary fair value of the assets acquire as at October 16, 2017 is summarized as follows:

	Total
Assets acquired	
Cash	**93**
Prepaids	**7**
Net assets acquired	**100**
Consideration paid:	
735,000 common shares issued and outstanding	**735**
Listing expense	**635**

Pursuant to the Qualifying Transaction: (i) Vier acquired all of the issued and outstanding class A common shares of Vertex Resource Group Ltd. ("Old Vertex") from the shareholders of Old Vertex in exchange for an aggregate of 85,773,459 Common Shares; and (ii) Vier, Old Vertex and a wholly-owned subsidiary of Old Vertex amalgamated to form the Company. In addition, an aggregate of 2,197,206 warrants to acquire Common Shares ("Warrants") were issued in exchange for share purchase warrants to acquire class A common shares in the capital of Old Vertex (Note 9).

Following completion of the Qualifying Transaction and the issuance of an aggregate of 12,895 Common Shares upon the concurrent exercise of Vier options to acquire Common Shares, the Company now has 86,521,354 Common Shares issued and outstanding, on a non-diluted basis. The aggregate 40,154,552 Common Shares and 2,197,206 Warrants held by the directors and officers of the Company, as well as certain Common Shares held by certain other shareholders of the Company are subject to escrow restrictions as described in the Filing Statement.

The Company completed the qualifying transaction on October 16, 2017 and also received conditional approval on the transaction with trading in the common shares of the Company. On October 18, 2017, following the issuance by the TSX of its final bulletin in respect of the qualifying transaction, the Company began trading on the TSXV under the symbol "VTX".