Condensed Consolidated Interim Financial Statements of

Vertex Resource Group Ltd.

For the three-month period ended March 31, 2018
(Unaudited)

Vertex Resource Group Ltd.

March 31, 2018

Table of contents

Vertex Resource Group Ltd.

Condensed consolidated interim statements of financial position

(in thousands of Canadian dollars)
(unaudited)

As at	Notes	**March 31, 2018**	December 31, 2017
Assets			
Current assets			
Cash and cash equivalents		**1,124**	296
Accounts receivable		**28,676**	34,900
Unbilled revenue		**4,524**	3,246
Inventories		**2,374**	2,079
Prepaid expenses and deposits		**1,389**	1,261
		38,087	41,782
Property and equipment	3	**58,779**	59,523
Intangible assets		**2,035**	2,264
Goodwill		**34,081**	34,081
Deferred income taxes		**6,506**	6,506
		139,488	144,156
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**12,330**	11,927
Deferred revenue		**834**	636
Income taxes payable		**-**	66
Current portion of loans and borrowings	4	**5,862**	5,788
Current portion of provisions	5	**710**	2,899
		19,736	21,316
Loans and borrowings	4	**52,046**	56,372
Provisions	5	**1,569**	1,682
Deferred income taxes		**5,013**	5,013
		78,364	84,383
Shareholders' Equity			
Common shares	6	**81,567**	79,794
Deficit		**(21,380)**	(20,913)
Contributed surplus		**937**	892
		61,124	59,773
		139,488	144,156
Subsequent event	13		

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

Vertex Resource Group Ltd.

Condensed consolidated interim statements of net loss and comprehensive loss
(in thousands of Canadian dollars, except per share amounts)
(unaudited)

		Three months ended	
		March 31,	March 31,
	Notes	**2018**	2017
Revenue		**34,686**	21,638
Direct costs		**25,885**	14,368
Gross profit		**8,801**	7,270
General and administrative expenses		**4,464**	3,867
Share-based compensation	7	**45**	-
Amortization		**3,228**	3,335
Finance costs	8	**1,531**	974
Loss before income taxes		**(467)**	(906)
Income tax recovery		**-**	(226)
Net loss and comprehensive loss for the period		**(467)**	(680)
Net loss and comprehensive loss for the period per share			
Basic and diluted	9	**(0.01)**	(0.01)
Diluted		**(0.01)**	(0.01)
Weighted average number of shares outstanding for the purpose of calculating earnings per share			
Basic and diluted	9	**88,439,302**	66,896,209

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)

	Notes	Three months ended March 31, 2018	March 31, 2017
Common Shares			
Balance, beginning of the period		**79,794**	57,912
Shares issued in settlement of acquisition obligation	5	**1,773**	-
Shares issued in settlement of advances from shareholders		**-**	2,151
Balance, end of the period		**81,567**	60,063
Contributed Surplus			
Balance, beginning of the period		**892**	887
Share-based compensation		**45**	-
Balance, end of the period		**937**	887
Deficit			
Balance, beginning of the period		**(20,913)**	(17,965)
Net loss and comprehensive loss for the period		**(467)**	(680)
Share redemption		**-**	-
Balance, end of the period		**(21,380)**	(18,645)
Total shareholders' equity		**61,124**	42,305

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)

		Three months ended	
	Notes	**March 31, 2018**	March 31, 2017
Operating activities			
Net loss		**(467)**	(680)
Items not affecting cash			
Amortization - property and equipment		**2,998**	2,938
Amortization - intangible assets		**229**	397
Share-based compensation		**45**	-
Interest accretion on provisions		**23**	138
Deferred financing charges		**128**	-
Loss (gain) on disposal of property and equipment		**24**	(54)
Deferred income taxes		**-**	(226)
		2,980	2,513
Change in non-cash operating working capital items		**4,804**	(1,173)
Cash provided by operating activities		**7,784**	1,340
Investing activities			
Purchase of property and equipment		**(1,966)**	(658)
Proceeds from disposal of property and equipment		**208**	280
Cash used in investing activities		**(1,758)**	(378)
Financing activities			
Proceeds from (repayment of) operating loan		**(3,077)**	4
Proceeds from term debt		**545**	-
Repayment of senior and term debt		**(2,147)**	(442)
Repayment of obligation under capital lease		**(221)**	(102)
Repayment of provisions		**(298)**	(258)
Cash used in financing activities		**(5,198)**	(798)
Increase in cash and cash equivalents		**828**	164
Cash and cash equivalents, beginning of period		**296**	44
Cash and cash equivalents, end of period		**1,124**	208

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

1. Description of business

Vertex is a publicly listed company on the TSX Venture Exchange ("TSXV") trading under the symbol VTX. The Company provides environmental and industrial services to a diverse clientele across Western Canada.

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 May 15, 2018. These condensed consolidated interim financial statements have been prepared using the same accounting policies as the Company's 2017 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 2017 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.

d) Principles of Consolidation

These condensed consolidated interim financial statements include the results of the Company and its subsidiaries and its limited partnerships. Subsidiaries and limited partnerships 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 and limited partnerships 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 and limited partnerships at March 31, 2018 are Vertex Resource Services Ltd., Vertex Professional Services Ltd., Vertex Oilfield Services Ltd., Acden Vertex LP, and Dominion Leasing Inc. The Company has applied uniform accounting policies throughout all consolidated entities and reporting dates of the subsidiaries and limited partnerships 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 2017.

f) Comparative figures

Certain comparative figures have been reclassified to conform to current year presentation.

g) Summary of significant accounting policies

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as the annual audited consolidated financial statements of the Company for the year ended December 31, 2017, with the exception of the adoption of IFRS 15, IFRS 9, and IFRS 2 described below. The disclosure contained in these condensed consolidated interim financial statements does not include all of the requirements in IAS 1 – Presentation in Financial Statements. Accordingly, these interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2017.

(i) IFRS 15 – Revenue from Contracts with Customers

The Company adopted IFRS 15 – Revenue from Contracts with Customers retrospectively on January 1, 2018. IFRS 15 supercedes IAS 11 – Construction Contracts and IAS 18 – Revenue, and related interpretations. The Company has detailed below the impact of the transition to IFRS 15 on its accounting policy for revenue recognition.

The Company applied IFRS 15 retrospectively to all contracts that were not complete on January 1, 2018, the date of the initial application, in order to determine if a restatement was required for prior periods presented. The Company performed a comprehensive review of existing contracts, control processes and revenue recognition methodology. In evaluating the impact of IFRS 15 on previously reported comparative figures, the Company determined that there was no change required as the existing revenue recognition practices met the requirements of IFRS 15. There were no changes to the classification and timing of revenue recognition, the measurement of contract costs and the recognition of contract assets (unbilled revenue) and contract liabilities (deferred revenue). The Company continues to recognize revenue at a contract level as performance obligations are satisfied over time, using project stage of completion based on costs incurred, labour hours expended and resources consumed. Revenue is recognized by applying the five-step model under IFRS 15.

Recognition requirements surrounding contract modifications (variations and claims) have been implemented, where the Company is required to provide stronger evidence of customer acceptance. For any change in transaction price as a results of a variation or claim, the Company will only recognize revenue to the extent that it is highly probably that revenue will not reverse in the future.

(ii) IFRS 9 – Financial Instruments

In 2014, the International Accounting Standards Board (IASB) issued the final version of IFRS 9 to replace IAS 39 – Financial Instruments: Recognition and Measurement. The Company adopted IFRS 9 retrospectively on January 1, 2018. The adoption of this standard did not have a material impact on the condensed consolidated interim financial statements. IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Specifically, the new standard require entities to account for expected credit losses from when financial instruments are first recognized and to recognize full lifetime expected losses on a timelier basis. The Company's policies and procedures surrounding the identification of credit risk and the recognition of credit losses comply with the requirements of this standard.

(iii) IFRS 2 – Share-based Payment

In June 2016, the IASB published *Classification and Measurement of Share-based Payment Transactions*, providing clarification on the classification and measurement of certain types of share-based payment transactions. The Company adopted the amendments to IFRS 2 retrospectively on January 1, 2018. The amendments to IFRS 2 clarify that the accounting for the effects of vesting and non-vesting conditions of cash-settled share-based payments should follow the same approach as for equity-settled share-based payments. The adoption of these amendments did not have any material impact to the condensed consolidated interim financial statements.

(iv) IFRS 16 – Leases

IFRS 16 - Leases ("IFRS 16"), was issued by the IASB on January 13, 2016, and will replace IAS 17 - Leases. IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The new standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 has also been applied. The Company is evaluating the impact of this standard on its consolidated financial statements.

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

3. Property and equipment

	Land	Buildings and improvements	Machinery and equipment	Office furniture and equipment	Rolling stock	Total
As at December 31, 2017	320	8,322	60,753	6,566	32,777	108,739
Additions	-	6	1,124	75	1,282	2,487
Disposals	-	-	(12)	(1,487)	(472)	(1,971)
As at March 31, 2018	**320**	**8,328**	**61,865**	**5,154**	**33,587**	**109,255**
Accumulated amortization						
As at December 31, 2017	-	6,617	28,981	4,103	9,515	49,216
Amortization	-	305	1,376	171	1,146	2,998
Disposals	-	-	(8)	(1,487)	(243)	(1,738)
As at March 31, 2018	**-**	**6,922**	**30,349**	**2,787**	**10,418**	**50,476**
Carrying value						
As at December 31, 2017	320	1,705	31,772	2,463	23,262	59,523
As at March 31, 2018	**320**	**1,406**	**31,516**	**2,367**	**23,169**	**58,779**
Carrying value of assets under finance lease						
As at December 31, 2017	-	-	-	-	2,097	2,097
As at March 31, 2018	**-**	**-**	**-**	**-**	**2,094**	**2,094**

Rolling stock acquired under capital leases during the three month period ended March 31, 2018 totaled $0.5 million (three month period ended March 31, 2017 - $0.2 million) 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)

4. Loans and borrowings

	March 31, 2018			December 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
Secured						
Operating loan (a)	-	15,225	15,225	-	18,302	18,302
Term loans (b)	135	446	581	61	-	61
Senior debt (c)	5,000	29,694	34,694	5,000	31,688	36,688
Subordinated debt (d)	-	5,500	5,500	-	5,500	5,500
Lease liabilities (e)	727	1,181	1,908	727	882	1,609
Total borrowings	**5,862**	**52,046**	**57,908**	5,788	56,372	62,160

On May 11, 2018, Company entered into $70 million senior secured credit facilities involving a syndicate of financial institutions lead by HSBC Bank Canada (“HSBC”). See subsequent event Note 13.

a) Operating loan

The Company’s operating loan is authorized maximum of $20.0 million and matures on 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.

b) Term loans

	Nominal interest rate	Maturity date	**March 31, 2018**	December 31, 2017
Term loan	4.95%	March 8, 2023	**545**	-
Term loan	7.25%	July 17, 2018	**36**	61
Total bank loans			**581**	61

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.

	March 31, 2018	December 31, 2017
Senior debt - face value	**36,878**	39,000
Transaction costs	**2,184**	2,312
Carrying amount	**34,694**	**36,688**

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. In the three month period ended March 31, 2018 the Company made an additional principal repayment of $1,122 using proceeds from the sale of property and equipment that the Company was not planning to reinvest in new capital expenditures.

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) 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:
  - 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 is 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 extent they are included in current liabilities, operating loan, current portion of loans and borrowings, current deferred tax liabilities and unearned revenue.

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

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 March 31, 2018 the Company was in compliance with the terms and covenants of its lending agreements which are calculated as follows:

	Target	March 31, 2018	December 31, 2017
Operating loan, senior debt & subordinated debt			
Funded debt to EBITDA	< 3.75 : 1	**3.00**	NA
Fixed charge coverage ratio	> 1.20 : 1	**1.66**	2.47
Working capital ratio	> 1.25 : 1	**2.83**	3.16
Funded debt to EBITDA	< 4.25 : 1	**NA**	3.18

5. Provisions

	Onerous lease	Contingent deferred payment	Acquisition obligation	Total
As at December 31, 2017	1,633	1,175	1,773	4,581
Interest accretion during the period	23	-	-	23
Settlement in exchange for class A common shares	-	-	(1,773)	(1,773)
Payments	(552)	-	-	(552)
As at March 31, 2018	**1,104**	**1,175**	**-**	**2,279**

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

	March 31, 2018	December 31, 2017
Current portion of provisions	**710**	2,899
Non-current portion of provisions	**1,569**	1,682
	2,279	4,581

Acquisition obligation

On January 10, 2018, the acquisition obligation with an aggregate face value of $1.8 million (2017 - $6.7 million) was settled for 1,924,320 (2017 – 7,303,866) Class A common shares and has been treated as a non-cash transaction for the purposes of the condensed consolidated interim statements of cash flows.

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

6. 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, 2016		16,898,824	57,912
Shares issued in settlement of advances from shareholders		746,938	2,151
Shares issued in business combinations prior to share exchange		3,004,124	11,064
Shares issued in settlement of acquisition obligation		1,922,070	6,727
Sub-total prior to share		22,571,956	77,854
Share exchange on completion of capital restructuring		63,201,503	-
Sub-total prior to share exchange		85,773,459	77,854
Shares issued in exercise of stock options		30,345	30
Shares issued pursuant to capital restructuring		735,000	735
Shares issued in business combinations subsequent to share exchange		2,350,000	1,175
As at December 31, 2017		88,888,804	79,794
Shares issued in settlement of acquisition obligation	5	1,924,320	1,773
As at March 31, 2018		**90,813,124**	**81,567**

7. Share-based compensation

Stock Option Plan

The Company grants stock options to directors, officers, employees and consultants of the Company affiliates under its Stock Option Plan. Options under the Stock Option Plan are normally granted at the weighted average trading price of the Common Shares of the Company for the five consecutive trading days immediately preceding the day of grant of the stock option. Stock options vest in the manner determined by the Board at the time of the grant. The term of an option is five years from the date of grant.

A summary of the status of the Company's stock options is as follows:

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

	March 31, 2018		December 31, 2017	
	Outstanding options	**Weighted average exercise price ($)**	Outstanding options	Weighted average exercise price ($)
Balance - Beginning of period	**4,428,155**	**1.00**	108,500	1.00
Granted	**-**	**1.00**	4,350,000	1.00
Exercised	**-**	**1.00**	(30,345)	1.00
Expired	**-**	**-**	-	-
Forfeited	**(225,000)**	**1.00**	-	1.00
Balance - end of period	**4,203,155**	**1.00**	4,428,155	1.00
Exercisable - end of period	**78,155**	**1.00**	78,155	1.00

8. Finance costs

	Three months ended	
	March 31, 2018	March 31, 2017
Interest on long-term debt	**1,163**	781
Financing and bank charges	**320**	-
Interest on onerous lease	**23**	39
Interest on finance leases	**25**	15
Interest on acquisition obligation	**-**	138
	1,531	973

9. Net loss per share

	Three months ended	
	March 31, 2018	March 31, 2017
Numerator		
Net loss and comprehensive loss for the period	**(467)**	(680)
Denominator		
Weighted average shares outstanding - basic & diluted	**88,439,302**	66,896,209
Loss per share		
Basic	**(0.01)**	(0.01)
Diluted	**(0.01)**	(0.01)

In calculating the loss per share for the three month period ended March 31, 2018, the Company excluded 2,197,206 warrants and 4,203,155 options (three month ended March 31, 2017 – 2,197,206 warrants and nil options), as their impact was anti-dilutive.

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

10. 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 or officer.

		Three months ended	
	Nature of relationship	**March 31, 2018**	March 31, 2017
Transactions:			
General and administrative expenses - rent	(i)	**225**	225
Property and equipment additions	(i)	**489**	489
Repayments of advances from shareholders	(i)	**-**	2,151
Proceeds from sale of property and equipment	(i)	**-**	75

(i) Related by common director, officer

11. Supplemental cash flow information

	Three months ended	
	March 31, 2018	March 31, 2017
Changes in non-cash working capital:		
Accounts receivable	**6,224**	(875)
Unbilled revenue	**(1,278)**	590
Inventories	**(295)**	(47)
Prepaid expenses and deposits	**(128)**	289
Accounts payable and accrued liabilities	**149**	(716)
Deferred revenue	**198**	(161)
Income taxes payable	**(66)**	(253)
	4,804	(1,173)
Net cash paid (received) during the period for:		
Interest	**1,337**	796
Income taxes	**66**	253

12. 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.

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

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 March 31,							
	Environmental		**Industrial**		**Corporate**		**Total**	
	2018	2017	**2018**	2017	**2017**	2017	**2017**	2017
Revenue	**23,231**	15,490	**11,448**	6,128	**8**	20	**34,687**	21,638
Net Income (loss) before tax	**1,096**	979	**1,150**	(93)	**(2,713)**	(1,792)	**(467)**	(906)
Amortization	**2,827**	2,729	**401**	606	**-**	-	**3,228**	3,335
Capital expenditures	**2,170**	634	**317**	24	**-**	-	**2,487**	658
Total asset	**115,202**	95,818	**22,561**	19,751	**1,727**	564	**139,490**	116,133
Goodwill and Intangible assets	**36,115**	28,284	**-**	-	**-**	-	**36,115**	28,284
Total liabilities	**13,073**	20,522	**5,689**	4,265	**59,604**	49,040	**78,366**	73,827

13. Subsequent event

Senior Secured Credit Facilities

On May 11, 2018, the Company refinanced its operating loan, senior debt and subordinated debt with $70 million in senior secured credit facilities involving a syndicate of financial institutions led by HSBC Bank Canada ("HSBC"). This agreement includes an additional $20 million accordion facility. The syndicate facilities are for a three year committed term maturing May 10, 2021.

The operating loan and a portion of the subordinated debt will be replaced with a senior secured revolving loan authorized to a maximum of $25 million. The senior secured revolving loan can be drawn by a mix of account overdraft with interest at rates ranging from HSBC's CAD prime rate or USD base rate plus 0.75%–2.00%, CAD Bankers' Acceptance rate, Letters of Credit, USD LIBOR loans plus stamping fees of 1.75%-3.00%. The Company pays a standby fee on any unutilized portion of the revolving facility on the last day of each fiscal quarter at rates ranging from 0.35%-0.60%. The interest rate ranges are based on the funded debt to EBITDA ratio for the preceding quarter.

The senior debt and a portion of the subordinated debt will be replaced with a senior secured term loan of $40 million. The senior term loan will be a single draw at the closing date and can be a mix of account overdraft with interest at rates ranging from HSBC's CAD prime rate or USD base rate plus 0.75%–2.00%, CAD Bankers' Acceptance rate, Letters of Credit, USD LIBOR loans plus stamping fees of 1.75%-3.00%. The interest rate ranges are based on the funded debt to EBITDA ratio for the preceding quarter. The senior term loan is repayable in four quarterly principal payments of $1,250, followed by eight quarterly principal payments of $1,500 with a final payment of $23,000 due on maturity of April 30, 2021. In addition to the scheduled principal payments the senior term loan includes an additional principal payment based on an annual excess cash flow calculation starting December 31, 2018. The excess cash flow calculation is applicable if the funded debt to EBITDA ratio at December 31, 2018 exceeds 2.75:1.00.

The syndicate facilities include a senior secured operating facility authorized to a maximum of $5 million to be used for general corporate purposes. The operating loan may be borrowed, repaid and re-borrowed on a revolving basis from the Closing Date until the Maturity Date. To the extent funds are drawn on the operating facility they will bear interest at rates ranging from HSBC's CAD prime rate or USD base rate plus 0.75%–2.00% and Letters of Credit plus stamping fees of 1.75%-3.00%.

All loans are being provided in Canadian dollars and are subject to the following financial covenants applied on a similar basis to those described in Note 4:

- The ratio of consolidated senior indebtedness to trailing EBITDA, calculated on a trailing twelve-month basis, must not exceed:
    - 3.75 to 1.00 for all quarters ending in fiscal 2018;
    - 3.25 to 1.00 for all quarters ending in fiscal 2019;
    - 3.00 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.

The Company remains in compliance with its financial covenants.