Q2 2021
Management's
Discussion and Analysis

Q2

Cordy
Oilfield Services Inc.

READER ADVISORY

The Management's Discussion and Analysis ("MD&A") for the three and six month periods ended June 30, 2021 of Cordy Oilfield Services Inc. ("Cordy" or the "Corporation"), prepared as at August 18, 2021, focuses on the unaudited interim condensed consolidated financial statements and related notes for the respective periods and pertains to principal risks and uncertainties related to the Corporation's business segments. This discussion should not be considered all-inclusive as it does not include all changes regarding general economic, political, governmental and environmental events. This discussion should be read in conjunction with the Corporation's 2020 audited Annual Consolidated Financial Statements, the December 31, 2020 MD&A, the unaudited interim condensed consolidated financial statements and related notes as at and for the three and six month periods ended June 30, 2021 and the cautionary statement regarding forward-looking information and statements on the last page of this document.

This MD&A contains certain statements that constitute forward-looking statements under the meaning of applicable securities laws. Please see "*Forward-Looking Information, Assumptions and Risk Factors*" on page 10 for a discussion regarding Cordy's use of such information. For the reader's reference, the definition, calculation and reconciliation of non-GAAP terms are provided in "Non-GAAP Terms" on page 9. Readers are cautioned that these non-GAAP terms should not replace net earnings (loss), earnings (loss) per share, purchases and proceeds on sale of property, plant and equipment and debt as indicators of GAAP performance.

This MD&A and the interim financial statements were reviewed by the Audit Committee of the Corporation's Board of Directors and approved by Cordy's Board of Directors on August 18, 2021.

CORPORATE OVERVIEW

Cordy is a service provider to the western Canadian oil and gas sector. Cordy is headquartered in Calgary, Alberta, Canada, and is listed on the TSX Venture Exchange under the trading symbol "CKK". Cordy's operating businesses are separate legal entities that service two business segments in Alberta. The entities are:

Cordy Environmental Inc. ("Environmental Services"); The segment's clean-up, hazardous goods transportation and containment services are provided to the oil and natural gas industry and also to industrial and commercial customers in Alberta. This segment provides general water truck and vacuum truck services to oilfield and non-oilfield related industries; confined-space entry services; dangerous goods transportation and general transportation services; high-pressure and steam cleaning services; septic and holding tank cleaning; hydro-excavation; liquids and solids spill response services; and 24-hour emergency response coverage.

Cordy Construction Inc. ("Heavy Construction"); Heavy Construction services include pipeline integrity management; clean-up services; low-pressure gas tie-ins; insulated pipeline installation; cement-lined pipeline installation; fibreglass pipeline installation; water injection lines; construction and installation of compressors, line heaters, separator buildings and header systems; pipeline maintenance and repairs; tying-in wellheads; decommissioning old well sites; and transportation of facility components to production sites. In providing pipeline construction and oilfield maintenance services, the focus is on small to medium-diameter pipeline construction, primarily gathering system pipe under 12" in diameter.

SELECTED FINANCIAL INFORMATION

($ 000's except share information amounts)	Three months ended June 30, 2021	2020	($) Change	Six months ended June 30, 2021	2020	($) Change
Financial results from operations						
Revenue	6,105	2,114	3,991	12,602	9,760	2,842
Gross Margin[1]	2,200	768	1,432	3,527	2,545	982
Operating earnings[2]	1,607	432	1,175	2,353	1,878	475
Net earnings (loss)	628	(577)	1,205	471	294	177
Cash generated from operating activities	601	3,017	(2,416)	1,818	1,811	7
Share Information						
Share Price	0.030	0.015	0.015	0.030	0.015	0.015
Earnings (loss) per share	-	-	-		-	-
Other Information						
Capital expenditures	1,656	-	1,656	2,676	4,493	(1,817)

($ 000's)	June 30, 2021	December 31, 2020	($) Change
Financial Position			
Total assets	20,460	17,560	2,900
Total debt obligations (includes current portion)	18,125	16,570	1,555
Total liabilities	21,654	19,225	2,429
Net assets	(1,194)	(1,665)	471

(1) Gross Margin is a non-IFRS term and is defined as revenue less direct operating expenses, see reconciliation on page 9 of this document.
(2) Operating earnings is a non-IFRS term and is defined as earnings before interest, taxes, depreciation, amortization, see reconciliation on page 9 of this document.

EXECUTIVE SUMMARY

The second quarter was our strongest Q2 since realigning our business back in 2015 and was a significant contributor to the Company’s strongest first six months over the same period. The success was driven by increased activity in the oil and gas sector, combined with revenue generated from the PNRL acquisition and Cordy’s JV partnership completed in 2020.

Compared to Q2-2020 where the company was faced with some of its toughest challenges to date, most notably, the global spread of the COVID-19 (“COVID-19”) pandemic, the second quarter of 2021 saw an increase in activity levels due to a successful COVID-19 vaccine rollout and the lifting of government restrictions.

The reopening of the economies around the globe has resulted in a return of oil and gas pricing to economical levels, and general business activity has started to slowly rebound as businesses and customers adapt to the new rules of doing business in the COVID-19 era.

Second Quarter Financial Summary:

- Revenue for the three and six months ended June 30, 2021 increased by 189% compared to the prior quarter and increased 29% for the year;
  - total revenue of $6.1 million for the quarter, an increase of $4.0 million, or 189% compared to $2.1 million in 2020;
  - total revenue of $12.6 million for the first half, an increase of $2.8 million, or 29% compared to $9.8 million in 2020;
- Operating earnings for the three and six months ended June 30, 2021 increased by 272% compared to the prior quarter and increased 25% for the year;
  - total operating earnings of $1.6 million for the quarter compared to $0.4 million in 2020;
  - total operating earnings of $2.4 million for the first half, an increase of $0.5 million, or 25% compared to $1.9 million in 2020;
- Net earnings (loss) for the three and six months ended June 30, 2021 increased on the quarter and for the year;

- Net earnings of $0.6 million for the quarter, an increase of $1.2 million, compared to a net loss of ($0.6) million in 2020
- net earnings of $0.5 million for the first half, an increase of $0.2 million, or 60% compared to $0.3 million in 2020

The Canadian Emergency Wages Subsidy ("CEWS") for the three month and six months ended June 30, 2021 were $0.6 million and $1.2 million respectively where

- $0.5 million was recognized as reduction to Direct Operation Expenses ("DOE") for the quarter and $1.0 million was recognized as a reduction to DOE for the year; and
- $0.1 million was recognized as reduction to general and administrative ("G&A") expenses for the quarter and $0.2 million was recognized as a reduction to G&A for the year.

The Canadian Emergency Rent Subsidy ("CERS") for the six months ended June 30, 2021 were $0.2 million where $0.2 million was recognized as a reduction to DOE.

ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS

	Three months ended June 30,			Six months ended June 30,		
($ 000's)	**2021**	**2020**	**($) Change**	**2021**	**2020**	**($) Change**
Revenue						
Environmental Services	5,997	2,043	3,954	12,458	9,533	2,925
Heavy Construction	108	63	45	144	212	(68)
Corporate	-	8	(8)	-	15	(15)
	6,105	2,114	3,991	12,602	9,760	2,842
Direct operating expenses						
Environmental Services	3,835	1,320	2,515	8,975	7,117	1,858
Heavy Construction	70	26	44	100	98	2
Corporate	-	-	-	-	-	-
	3,905	1,346	2,559	9,075	7,215	1,860
General and administrative expenses						
Environmental Services	311	114	197	608	243	365
Heavy Construction	-	1	(1)	1	1	-
Corporate	282	221	61	565	423	142
	593	336	257	1,174	667	507
Operating earnings (loss) (1)						
Environmental Services	1,851	609	1,242	2,875	2,173	702
Heavy Construction	38	36	2	43	113	(70)
Corporate	(282)	(213)	(69)	(565)	(408)	(157)
	1,607	432	1,175	2,353	1,878	475
Depreciation	644	652	(8)	1,232	1,117	115
Finance costs	335	357	(22)	650	467	183
Gain (loss) on disposal	-	-	-	-	-	-
Share-based recovery	-	-	-	-	-	-
Earnings (loss) before tax	628	(577)	1,205	471	294	177
Income tax expense	-	-	-	-	-	-
Net earnings (loss)	628	(577)	1,205	471	294	177

(1) Operating earnings (loss) is a non-IFRS term and is defined as earnings before interest, taxes, depreciation, amortization, see reconciliation on page 9 of this document.

Revenue

For the three months ended June 30, 2021 Cordy's consolidated revenues increased by $4.0 million or 189% as compared to the prior period ended June 30, 2020. For the six months ended June 30, 2021, Cordy's consolidated revenues increased by $2.8 million or 29% to $12.6 million as compared to the six months ended June 30, 2020.

The increase in revenue is directly attributable to the curtailment of economic impacts stemming from the global COVID-19 pandemic and rebound for oil and gas products demand. Specifically, Cordy's major oilfield customers initiated its capital programs during the quarter in addition to maintaining opportunities in B.C. with its indigenous partner.

Direct operating expenses ("DOE")
For the three months ended June 30, 2021, consolidated DOE were $3.9 million compared to $1.3 million in the same period of the prior year. As a percentage of revenue DOE remained the same at 64% percent as compared to the prior period.

For the six months ended June 30, 2021, consolidated DOE were $9.1 million compared to $7.2 million in the same period of the prior year. As a percentage of revenue DOE decreased to 72 percent from 74 percent. The slight decrease in DOE as a percentage of revenue is related to the aforementioned CEWS recovery, which was recorded as an offset against DOE wage expense.

General and administrative expenses ("G&A")
G&A includes the cost of maintaining a corporate office, all publicly traded company-related expenses as well as the G&A incurred at each of the business units. For the three months ended June 30, 2021, G&A was $0.6 million compared to $0.3 million for the same period of the prior year.

For the six months ended June 30, 2021, G&A was $1.2 million as compared to $0.7 million for the same period of the prior year.

The increase to G&A is directly related to the increase in the number of executive employees with the addition of the CFO at the corporate level.

Depreciation
Depreciation increased slightly to $0.6 million and $1.2 million from $0.6 million and $1.1 million compared to the three and six months ended June 30, 2021 and 2020. The increase in depreciation is predominately related to the asset acquisition in Q1-2020, where the Company added $4.5 million to the net book value ("NBV") to the Corporation's depreciable assets.

Finance costs
Finance costs were consistent at $0.3 million for the three months ended June 30, 2021 compared to June 30, 2020. For the six months ended June 30, 2020 finance costs were $0.7 million as compared to $0.5 million for the six months ended June 30, 2020, Finance costs are higher due to the additional interest and finance costs associated with accumulating an additional $3.5 million of debt which was used for the aforementioned asset acquisition as well as additional interest from carrying a higher balance on the Corporations line of credit ("LOC").

QUARTERLY SUMMARY
The table below summarizes Cordy's quarterly results for the previous eight financial quarters. The Corporation's operations and profitability are closely tied to the seasonal activity patterns of western Canada's oil and natural gas exploration and development industry, for which activity peaks in the winter months and declines during spring break-up. During spring break-up, the ground thaws and many roads become incapable of supporting heavy equipment, which makes drilling for oil and gas more difficult. As a result, demand for oilfield services generally is higher in the first and fourth quarters and lower in the second and third quarters.

FINANCIAL RESULTS

	2021		2020				2019	
(000'S) (except per share information)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	6,105	6,497	5,732	3,084	2,114	7,646	3,552	3,644
Operating earnings [(1)]	1,607	746	869	560	432	1,446	(111)	550
Net income (loss)	628	(157)	99	(326)	(577)	871	(818)	(39)
Earnings (loss) per share	-	-	-	-	-	-	-	-
Cash flow from (used in) operations	601	1,217	(275)	127	3,017	(1,206)	875	582

[(1)] Operating earnings is a non-IFRS term and is defined as earnings before interest, taxes, depreciation, amortization, see reconciliation on page 9 of this document.

The following items are key events that occurred in each quarter:

- Q2 2021 saw Cordy Environmental secure additional contracts with its oil and gas customers as well as maintaining its opportunities in B.C.
- Q1 2021 Cordy's Environmental Services maintained its market share with its oilfield customers in addition to expanding Cordy's opportunities in B.C. with its indigenous partner
- Q4 2020 saw an increase in revenues as oilfield customers reactivated drilling programs early in the fourth quarter
- Q3 2020 and Q2 2020 saw a significant drop in revenue resulting from the unprecedented impact the COVID-19 pandemic, and related shut-down of the Canadian economy, had on demand for the company's services. A corresponding drop in Operating earnings was mitigated by the CEWS
- Q1 2020 Cordy's Environmental Services segment achieved significant gains in market share resulting in a 48% increase in revenue over the same period in 2019

- Q4 2019 was impacted by higher than normal repair and maintenance expense. Repairs and maintenance is seasonally high in Q4 as Cordy readied its fleet for the busy winter drilling season.
- Q3 2019 saw a change in revenue mix as 2018 consisted of more industrial and municipal work stemming from a one-time project, this revenue was replaced through increased oilfield service revenue with margins remaining consistent

OUTLOOK

In terms of Cordy's business, we are very optimistic on the near-term outlook. The Company will benefit from the continued lifting of health restrictions and the positive outlook for drilling activity resulting from higher oil prices. Specifically, as global economies have re-opened, commodity prices have rebounded from the severe lows experienced during the height of the shut down, and the oilfield industry in Western Canada is poised to see an increase in drilling activity.

As we progress through the third quarter, we anticipate our quarterly and annual results will continue to improve materially on a year over year basis, with existing projects continuing to progress, and the Company realizing full benefits from the acquisition completed in Q1 2020.

Visibility into the fourth quarter and beyond is still highly variable, but the Company is optimistic as its Oil and Gas customers, forecast an increase in spending for the balance of 2021 and 2022 winter drilling season.

Management continues to evaluate its growth opportunities and access to growth capital, while aggressively managing its costs and focussing on health and safety of its employees.

FINANCIAL RESOURCES AND LIQUIDITY

The unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

Although the debts of the Corporation contain no financial covenants, its ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due, is dependent on the economic conditions that will exist over the next twelve months. The overall impact and influence these conditions will have on demand for the Company's services, remains highly uncertain and is directly correlated to the impact it has on the capital spending of the Company's customers.

Management has taken several steps, including revising the terms of its lease and lending agreements, and participating in various government emergency relief programs, to improve its short-term liquidity. If for any reason the Corporation is unable to continue as a going concern, it could impact the Corporation's ability to realize assets at their recognized values and to meet liabilities in the ordinary course of business at the amounts stated in the consolidated financial statements.

As at June 30, ($ 000's)	2021	2020	$ Change
Borrowing capacity	5,797	1,573	4,224
Drawings on credit facility	(2,759)	(625)	(2,134)
Available credit facility	3,038	948	2,090

The Corporation revised certain terms of its line of credit agreement in 2020, held with a private lender (the "Lender"), pursuant to which it may borrow up to an amount totalling 90% of eligible receivables (the "Maximum Amount"), on a revolving basis (the "the Revised Credit Facility"). As at June 30, 2021 Cordy had drawn $2.8 million, or 48% of eligible receivables, leaving a remaining amount available under the Revised Credit Facility of approximately $3.0 million.

FINANCIAL MANAGEMENT

Six months ended June 30 ($ 000's)	2021	2020	$ Change
Cash generated provided by (used in):			
Operating activities	1,818	1,811	7
Financing activities	(1,760)	(1,726)	(34)
Investing activities	(11)	(151)	140
Increase (decrease) in cash	47	(66)	113

Cash flows from operating activities remained relatively consistent in the six month period ended June 30, 2021 from the same period in 2020.

Cash flows from financing activities remained relatively consistent in the six month period ended June 30, 2021 from the same period in 2020.

Cash flows from investing activities increased by $0.1 million in the six month period ended June 30, 2021 from the same period in 2020 due to no cash costs associated to the asset acquisition completed during Q1-2020.

Management will continue to re-evaluate its available financing options. The Corporation expects to fund its ongoing operations and debt repayments from a combination of cash flow, the refinancing of debt, the Revised Credit Facility line, asset dispositions, and government assistance programs as needed or when available.

WORKING CAPITAL

Management continues to re-evaluate its available financing options. The Corporation expects to fund its ongoing operations and debt repayments from a combination of cash flow, the refinancing of debt and asset dispositions as needed.

($ 000's)	June 30, 2021	December 31, 2020	$ Change
Cash	47	-	47
Loans and leases	18,125	16,570	1,555
Net debt	(18,078)	(16,570)	(1,508)
Working capital (1)	(3,471)	(2,862)	(609)

(1) Working capital is calculated as current assets less current liabilities.

Working capital decreased by $0.6 million compared to December 31, 2020. Material items that impacted working capital are as follows:

- an increase in current lease liabilities of $0.8 million;
- an increase of bank indebtedness of $0.4 million; and
- an increase in trade and other receivables of $1.5 million.

LOANS AND BORROWING

($ 000's)	June 30, 2021	December 31, 2020
Current liabilities		
Bank indebtedness	2,759	2,371
Related party note payable	750	750
Lease obligations - equipment and vehicles	2,979	2,327
Lease obligations - office and shop	519	368
Current portion of debt	7,007	5,816
Non-current liabilities		
Lease obligations - equipment and vehicles	10,800	10,173
Lease obligations - office and shop	318	581
Non-current portion of debt	11,118	10,754
Total debt obligations	18,125	16,570

Bank indebtedness
In 2020, the Corporation revised certain terms of its line of credit agreement, financed through a private lender (the "Lender"), which provided the Corporation with increased financial flexibility throughout the COVID-19 pandemic. The revised terms with the Lender allow the Corporation to borrow up to an amount totalling 90% of eligible receivables (the "Maximum Amount"), on a revolving basis ("the Revised Credit Facility"). As at June 30, 2021 Cordy had drawn $2.8 million, or 48% of eligible receivables, leaving a remaining amount available under the Revised Credit Facility of approximately $3.0 million.

The key terms of the Revised Credit Facility are as follows:

- General Security Agreement ("GSA") that grants the Lender a continuing security interest in all present and after acquired property of Cordy and its subsidiaries;
- interest at Bank of Canada prime rate plus 4% per annum; and
- payable on demand at the request of the Lender.

Related party note payable
On March 18, 2020, as partial consideration for the acquisition of the assets and business of Platinum North Resources Ltd. (the "Transaction"), the Corporation issued a promissory note to 1279107 AB Ltd. ("107") for $0.75 million (the "Note"). The Note bears interest at 5.0%, payable monthly, with an amended maturity date of December 31, 2021. The Note is secured by a GSA on all present and after-acquired personal property; subordinate to security held by the Lender. 107 is considered a related party; being wholly-owned by Craig Heitrich ("Heitrich"), the Chief Operating Officer ("COO") of Cordy. At the time of the Transaction Cordy, Heitrich, and 107 were considered arm's length parties.

Lease obligations – equipment and vehicles
During Q2-2020, the Company consolidated and revised certain terms of its leases with the Company's equipment lender (the "Revised Leases"). The Revised Leases consist of three leases, which bear interest at fixed rates of 6.45% to 6.95% and contain terms of 36 months ($0.5 million), 48 months ($3.8 million) and 60 months ($9.0 million) respectively. In addition, during Q2-2021, the Company entered into two additional leases that contain terms of 12 months ($0.1 million) and 42 months ($0.4 million) respectively. The Revised Leases consist of consolidated monthly payments, including interest, of $0.3 million. All future payments are subject to change as the Corporation has the option, with no early payment penalties or fees, to sell the equipment and have all proceeds applied against the remaining principal balance. In the event of default, the Corporation is subject to additional interest and penalties.

Lease obligations – office and shop
In Q1-2021, the corporation operated under a single lease agreement with its landlord ("the Landlord") where the lease consists of monthly payments of $36,000 per month, with an amended maturity date of August 2022. During Q2-2021, a secondary two-year term lease was signed adding an additional monthly payment of $11,000 per month.

NON - GAAP TERMS

Cordy reports on certain key financial performance measures that are used by management to evaluate the performance of Cordy. These key financial performance measures are not recognized financial terms ("Non-GAAP Terms") under Canadian generally accepted accounting principles (Canadian "GAAP"). For publicly accountable enterprises, such as Cordy, Canadian GAAP is governed by principles based on International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). Management believes these Non-GAAP Terms are useful supplemental measures. Specifically, EBITDAS is not recognized by nor is it defined under IFRS. These Non-GAAP Terms do not have standardized meanings and may not be comparable to similar measures presented by other entities.

Gross Margin

Gross margin is defined as revenue less direct operating expenses. The Corporation's method of calculating gross margin may differ from that of other companies and accordingly, may not be comparable to measures used by other companies.

Non-GAAP Term Periods ended June 30 ($ 000's)	Three Months 2021	 2020	Six Months 2021	 2020
Revenue	6,105	2,114	12,602	9,760
Deduct:				
Direct operating expenses	3,905	1,346	9,075	7,215
Gross margin	2,200	768	3,527	2,545

Operating Earnings

Operating earnings is defined as earnings before interest, taxes, depreciation, amortization, impairment, share-based payments, Operating earnings is not a recognized measure under IFRS. Management believes this is a useful supplemental measure as it provides an indication of the results generated from the Corporation's business activities regardless of the means used to finance the property and equipment. Readers are cautioned that operating earnings should not be construed as an alternative to net income in accordance with IFRS as an indicator of the Corporation's performance. The Corporation's method of calculating operating earnings may differ from that of other companies and, accordingly, operating earnings may not be comparable to measure used by other companies.

Non-GAAP Term Periods ended June 30, ($ 000's)	Three months 2021	 2020	Six months 2021	 2020
Net earnings (loss)	628	(577)	471	294
Add (deduct):				
Depreciation expense	644	652	1,232	1,117
Financing expense	335	357	650	467
Gain on disposal of equipment	-	-	-	-
Operating earnings	**1,607**	**432**	**2,353**	**1,878**

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Corporation prepares its interim condensed consolidated financial statements in accordance with IFRS. In preparing its financial statements, management is required to make various estimates and judgments in determining the reported amounts of assets and liabilities, revenues and expenses, as well as the disclosure of commitments and contingencies. Management bases its estimates and judgments on its own experience and various other assumptions believed to be reasonable at the time and under the circumstances in existence when the financial statements were prepared. Anticipating future events cannot be done with certainty; therefore, these estimates may change as new events occur, more experience is acquired or the Corporation's operating environment changes. More detailed information regarding the accounting estimates believed by management to require the most difficult, subjective or complex judgments and which are material to the Corporation's financial reporting results are discussed in the Corporation’s Annual MD&A for the year ended December 31, 2020.

KEY RISKS AND UNCERTAINTIES

The Corporation is exposed to market risks and other operational risks. For a detailed discussion of these risks, readers should refer to the section “Principal Risks and Uncertainties” in the MD&A for the year ended December 31, 2020, which is available at www.sedar.com.

FORWARD-LOOKING INFORMATION, ASSUMPTIONS AND RISK FACTORS

This MD&A contains certain statements that constitute forward-looking statements. These statements relate to future events or the Corporation’s future performance. All statements, other than statements of historical fact, that address activities, events or developments that the Corporation or a third party expects or anticipates will or may occur in the future, are forward-looking statements. These include the Corporation’s future growth, results of operations, performance and business prospects and opportunities; prevailing economic conditions; commodity prices; sourcing, components and parts, equipment, suppliers, facilities and skilled personnel; dependence on major customers; uncertainties in weather and temperature affecting the duration of the service periods and the activities that can be completed; regional competition; and other factors, many of which are beyond the Corporation’s control. These other factors include future prices of oil and natural gas and oil and natural gas industry activity, including the effect of changes in commodity prices on oil and natural gas exploration and development activity, the ability to complete strategic acquisitions and realize the anticipated benefits of any acquisitions that are completed, the Corporation’s outlook regarding the competitive environment it operates in, and the assumptions underlying any of the foregoing. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the Corporation’s control, including those discussed under “Principal Risks and Uncertainties” in the MD&A for the year ended December 31, 2020 that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. The Corporation does not intend, and does not assume any obligation, to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities laws. The forward-looking statements and assumptions contained in this MD&A are expressly qualified by this cautionary statement.

In particular, forward-looking information, assumptions and statements include discussion reflecting the Corporation’s belief that:

- Cordy’s ability to deploy its people and equipment to achieve a reasonable return on investments over the long-term.
- Cordy’s ability to continue to adjust the equipment fleet to reflect business realities and its belief that a market for any underutilized equipment will continue at prevailing market rates.
- Cordy will also continue to evaluate potential mergers and or business combinations. Cordy cannot give assurances of mergers or combinations being consummated, even though the Corporation has had initial discussion with several companies. Suitable candidates include companies with synergistic operations, stable or increasing revenues, sustainable cash flows and access to capital;
- Cordy will use the anticipated cash flow from operating activity, financing activities, and proceeds from disposition of equipment and other assets in 2021 to finance on-going working capital and repay debt. This assumption is based on Cordy’s belief that its access to cash will exceed its expected requirements;
- Cordy will continue to benefit from our business restructuring initiatives, execute its strategy and achieve its revised revenue, net profit, and cash flow forecasts for 2021;
- Our customers and potential customers continuing to invest in the oilsands and other resource developments and to outsource activities for which we are capable of providing services;
- Our success will be dependent on managing our business, maintaining and growing customer relationships, obtaining new customers, competing in the bidding process to secure new projects, and identifying and implementing improvements in our maintenance, fleet management practice and the ability to secure financing;
- Cordy’s diversification strategy will continue to bring new customers, grow other service lines and achieve reasonable margins; specifically that its municipal and reclamation service lines will benefit from increased spending on infrastructure and environmental remediation projects.

Forward looking statements address future events and conditions and, therefore, involve inherent risk and uncertainties. Risk factors, such as those discussed in this MD&A, and other uncertainties could cause actual results to differ materially from those anticipated in such forward-looking statements, such as: Canada's oil and natural gas industry is resource rich but market constrained; the oil and natural gas industry and its supporting oilfield services industry sector will continue to be impacted by price fluctuations for oil and natural gas and related products and services; political and economic conditions; industry competition; Cordy’s ability to attract and retain key personnel; the availability of future debt and equity financing;

changes in laws or regulations, including taxation and environmental regulations; and fluctuations in foreign exchange or interest rates and other market factors.

Readers are cautioned that the foregoing factors are not exhaustive. Additional information on these and other factors that could affect the Corporation's operations and financial results is included in reports on file with securities regulatory authorities in Canada and may be accessed through the SEDAR website (www.sedar.com) or at the Corporation's website. The forward-looking statements and information contained in this MD&A are expressly qualified by this cautionary statement. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

ADDITIONAL CORPORATE INFORMATION

The Corporation is a publicly-traded Corporation listed on the TSX Venture Exchange under the symbol "CKK". Additional information relating to the Corporation, can be found on SEDAR at www.sedar.com.