Q3 2021
Management's
Discussion and Analysis

Q3

Cordy
Oilfield Services Inc.

READER ADVISORY

The Management's Discussion and Analysis ("MD&A") for the three and nine month periods ended September 30, 2021 of Cordy Oilfield Services Inc. ("Cordy" or the "Corporation"), prepared as at November 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 nine month periods ended September 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 9 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 8. 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 November 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 September 30, 2021	2020	($) Change	Nine months ended September 30, 2021	2020	($) Change
Financial results from operations						
Revenue	7,814	3,084	4,730	20,416	12,844	7,572
Gross Margin[1]	2,524	1,035	1,489	6,051	3,580	2,471
Operating earnings[2]	1,996	560	1,436	4,349	2,438	1,911
Net earnings (loss)	1,146	(326)	1,472	1,617	(31)	1,648
Cash generated from operating activities	1,403	127	1,276	3,221	1,938	1,283
Share Information						
Share Price	0.030	0.015	0.015	0.030	0.015	0.015
Earnings (loss) per share	0.01	-	0.01	0.01	-	0.01
Other Information						
Capital expenditures	-	-	-	2,676	4,502	(1,826)

($ 000's)	September 30, 2021	December 31, 2020	($) Change
Financial Position			
Total assets	20,301	17,560	2,741
Total debt obligations (includes current portion)	17,011	16,570	441
Total liabilities	20,349	19,225	1,124
Net assets	(48)	(1,665)	1,617

(1) Gross Margin is a non-IFRS term and is defined as revenue less direct operating expenses, see reconciliation on page 8 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 8 of this document.

EXECUTIVE SUMMARY

The third quarter was Cordy's strongest quarter since realigning the business in 2015 and was a significant contributor to the Company's strongest first nine months over the same period. The strong results continued from the second quarter of 2021, and were a result of the same drivers: increased activity in the oil and gas sector, revenue generated from the Platinum North Resources Ltd. ("PNRL") acquisition and Cordy's JV partnership completed in 2020.

Compared to Q3-2020 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 third 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 rebound as businesses and customers adapt to the new rules of doing business in the COVID-19 era.

Third Quarter Financial Summary:

- Revenue for the three and nine months ended September 30, 2021 up 153% for the quarter and 59% for the year;
  - revenue of $7.8 million for the quarter, an increase of $4.7 million, or 153% compared to $3.1 million in 2020;
  - revenue of $20.4 million year-to-date, an increase of $7.6 million, or 59% compared to $12.8 million in 2020.
- Operating earnings for the three and nine months ended September 30, 2021 up 256% on the quarter and up 78% for the year;
  - operating earnings of $2.0 million for the quarter, a $1.4 million increase compared to $0.6 million in 2020;
  - operating earnings of $4.3 million year-to-date, an increase of $1.9 million, or 78% compared to $2.4 million in 2020.
- Net earnings for the three and nine months ended September 30, 2021 of $1.1 million and $1.6 million, respectively;
  - net earnings of $1.1 million for the quarter, an increase of $1.5 million, compared to a net loss of $0.3 million in 2020;

- net earnings of $1.6 million year-to-date, an increase of $1.6 million, compared to net loss of $0.03 million in 2020.

- Canadian Emergency Wage Subsidy ("**CEWS**") for the three and nine months ended September 30, 2021 was $0.2 million and $1.3 million respectively;
  - $0.2 million recognized as reduction to Direct Operation Expenses ("**DOE**") and $0.02 million recognized as a reduction to general and administrative ("**G&A**") expense during the quarter;
  - $1.1 million recognized as reduction to Direct Operation Expenses ("**DOE**") and $0.2 million recognized as a reduction to general and administrative ("**G&A**") expense year-to-date.

ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS

	Three months ended September 30,			Nine months ended September 30,		
($ 000's)	**2021**	**2020**	**($) Change**	**2021**	**2020**	**($) Change**
Revenue						
Environmental Services	7,655	3,024	4,631	20,113	12,557	7,556
Heavy Construction	159	60	99	303	272	31
Corporate	-	-	-	-	15	(15)
	7,814	3,084	4,730	20,416	12,844	7,572
Direct operating expenses						
Environmental Services	5,224	2,029	3,195	14,199	9,146	5,053
Heavy Construction	66	20	46	166	118	48
Corporate	-	-	-	-	-	-
	5,290	2,049	3,241	14,365	9,264	5,101
General and administrative expenses						
Environmental Services	294	269	25	901	511	390
Heavy Construction	8	-	8	9	2	7
Corporate	226	206	20	792	628	164
	528	475	53	1,702	1,141	561
Operating earnings (loss) (1)						
Environmental Services	2,137	726	1,411	5,013	2,900	2,113
Heavy Construction	85	40	45	128	152	(24)
Corporate	(226)	(206)	(20)	(792)	(613)	(179)
	1,996	560	1,436	4,349	2,439	1,910
Depreciation	697	625	72	1,929	1,742	187
Finance costs	253	261	(8)	903	727	176
Gain (loss) on disposal	(90)	-	(90)	(90)	-	(90)
Other income	(10)	-	(10)	(10)	-	(10)
Earnings (loss) before tax	1,146	(326)	1,472	1,617	(31)	1,648
Income tax expense	-	-	-	-	-	-
Net earnings (loss)	1,146	(326)	1,472	1,617	(31)	1,648

(1) Operating earnings (loss) is a non-IFRS term and is defined as earnings before interest, taxes, depreciation, amortization, see reconciliation on page 8 of this document.

Revenue

For the three months ended September 30, 2021 Cordy's consolidated revenues increased by $4.7 million or 153% as compared to September 30, 2020. The increase is directly attributable to improved industry activity compared to the same period in 2020, and due to the addition of revenues related to a major infrastructure project.

For the nine months ended September 30, 2021, Cordy's consolidated revenues increased by $7.6 million or 59% compared to the same period last year. The increase is directly attributable to improved industry activity, the addition of a major infrastructure project, and having a full year of revenues from the asset acquisition that closed in March of 2020.

Direct operating expenses ("DOE")

For the three months ended September 30, 2021, consolidated DOE were $5.3 million compared to $2.0 million in the same period of the prior year. As a percentage of revenue, DOE increased to 68% from 66%. The increase in DOE was the result of higher revenues in the current quarter, and the increase in DOE as a percentage of revenue reflects a lower reliance on the CEWS program during the three month period ended September 30, 2021.

For the nine months ended September 30, 2021, consolidated DOE were $14.4 million compared to $9.3 million in the same period of the prior year. As a percentage of revenue DOE decreased to 70% from 71%. The increase in DOE was the result of higher revenues in the current year.

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 September 30, 2021, G&A was $0.5 million compared to $0.5 million for the same period of the prior year.

For the nine months ended September 30, 2021, G&A was $1.7 million as compared to $1.1 million for the same period of the prior year. The increase is a result of additional head office staff added during 2020, G&A costs incurred in PNRL for nine months of 2021 (vs six months of 2020), and due to increased legal fees.

Depreciation
Depreciation increased slightly to $0.7 million and $1.9 million in the three and nine months ended September 30, 2021, from $0.6 million and $1.7 million in the three and nine months ended September 30, 2020. The increase is directly related to the asset acquisitions made in the first half of 2021, adding $2.7 million to the net book value ("NBV") of the Corporation's depreciable assets.

Finance costs
Finance costs were comparable for the three months ended September 30, 2021 compared to September 30, 2020. For the nine months ended September 30, 2021 finance costs were $0.9 million as compared to $0.7 million for the nine months ended September 30, 2020. Finance costs are higher for the year due to the additional interest and finance costs associated with the acquisition of PNRL in 2020, the asset acquisitions made in 2020 and 2021, and the increase in interest rates from May 2020.

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

	Three months ended							
	2021			2020				2019
(000'S) (except per share information)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	7,814	6,105	6,497	5,732	3,084	2,114	7,646	3,552
Operating earnings [(1)]	1,996	1,607	746	869	560	432	1,446	(111)
Net earnings (loss)	1,146	628	(157)	99	(326)	(577)	871	(818)
Earnings (loss) per share	0.01	-	-	-	-	-	-	-
Cash flow from (used in) operations	1,403	601	1,217	(275)	127	3,017	(1,206)	875

(1) Operating earnings is a non-IFRS term and is defined as earnings before interest, taxes, depreciation, amortization, see reconciliation on page 8 of this document.

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

- Q3 2021 saw Cordy increase its activity levels with its oil and gas customers and increase revenues on the opportunities in B.C.
- 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.

OUTLOOK

Cordy management is very optimistic on the near-term outlook for the Company, as it 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 fourth quarter, we anticipate our quarterly results to be in line with those in the prior year, and annual results improving 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 2022 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.

For the balance of 2021, and the foreseeable future, Cordy will continue to aggressively manage costs, while continuing to focus on the health and safety of its employees, contractors, and customers, ensuring it is doing its part in mitigating the spread, and limiting the impact of COVID-19.

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 September 30, ($ 000's)	2021	2020	$ Change
Borrowing capacity	5,626	2,063	3,563
Drawings on credit facility	(2,759)	(1,098)	(1,661)
Available credit facility	2,867	965	1,902

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 September 30, 2021 Cordy had drawn $2.8 million, or 49% of eligible receivables, leaving a remaining amount available under the Revised Credit Facility of approximately $2.9 million.

FINANCIAL MANAGEMENT

Nine months ended September 30 ($ 000's)	2021	2020	$ Change
Cash generated provided by (used in):			
Operating activities	3,221	1,938	1,283
Financing activities	(2,895)	(2,089)	(806)
Investing activities	74	(151)	225
Increase (decrease) in cash	400	(302)	702

Cash flows from operating activities increased in the nine month period ended September 30, 2021 from the same period in 2020 by $1.3 million, due to the $1.9 million increase in operating earnings, offset by the negative impact in operating cash flows from the continued build in non-cash working capital stemming from timing differences of AR collections and payments.

Cash used in financing activities increased by $0.8 in the nine month period ended September 30, 2021 from the same period in 2020. The increase is from draws on the Corporation's Line of Credit, higher finance costs and principal repayments.

Cash flows from investing activities increased by $0.2 million in the nine month period ended September 30, 2021 from the same period in 2020, due largely due to the sale of equipment in September of 2021.

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)	September 30, 2021	December 31, 2020	$ Change
Working capital (1)	(2,579)	(2,862)	283

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

Working capital increased by $0.3 million compared to December 31, 2020. Material items that impacted working capital are as follows:

- an increase in trade receivables (net of trade payables) of $1.1 million due to increased activity levels in the third quarter, and
- an increase in current lease liabilities of $0.8 million related to new lease obligations entered into during 2021.

LOANS AND BORROWING

($ 000's)	September 30, 2021	December 31, 2020
Current liabilities		
Bank indebtedness	2,759	2,371
Related party note payable	750	750
Lease obligations - equipment and vehicles	2,962	2,327
Lease obligations - office and shop	488	368
Current portion of debt	6,959	5,816
Non-current liabilities		
Lease obligations - equipment and vehicles	9,973	10,173
Lease obligations - office and shop	79	581
Non-current portion of debt	10,052	10,754
Total debt obligations	17,011	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 September 30, 2021 Cordy had drawn $2.8 million, or 49% of eligible receivables, leaving a remaining amount available under the Revised Credit Facility of approximately $2.9 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 PNRL (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 ($3.4 million) and 60 months ($8.6 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 ($0.3 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.

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 September 30 ($ 000's)	Three Months 2021	 2020	Nine Months 2021	 2020
Revenue	7,814	3,084	20,416	12,844
Deduct:				
Direct operating expenses	5,290	2,049	14,365	9,264
Gross margin	2,524	1,035	6,051	3,580

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 September 30, ($ 000's)	Three months 2021	 2020	Nine months 2021	 2020
Net earnings (loss)	1,146	(326)	1,617	(31)
Add (deduct):				
Depreciation expense	697	625	1,929	1,742
Financing expense	253	261	903	727
Gain on disposal of equipment	(90)	-	(90)	-
Other income	(10)	-	(10)	-
Operating earnings	**1,996**	**560**	**4,349**	**2,438**

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.

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.

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.