Q1 2020
Management's
Discussion and Analysis

Q1

Cordy
Oilfield Services Inc.

READER ADVISORY

The Management's Discussion and Analysis ("MD&A") for the three month period ended March 31, 2020 of Cordy Oilfield Services Inc. ("Cordy" or the "Corporation"), prepared as at July 7, 2020, 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 2019 audited Annual Consolidated Financial Statements, the December 31, 2019 MD&A, the unaudited interim condensed consolidated financial statements and related notes as at and for the three months ended March 31, 2020 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 8 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.

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The unaudited interim financial statements of Cordy have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements.

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 July 7, 2020.

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.

OUTLOOK

Cordy's results for the current quarter were consistent with our expectations; despite the major negative impact the COVID-19 virus had on economic activity, and Cordy's business, starting in mid-March. The Company's optimism and initial forecast for a much improved 2020, has quickly soured as measures enacted to prevent the spread of the virus have resulted in global business disruption with significant economic repercussions. These events are expected to continue to negatively impact, Cordy's business for the remainder of 2020.

Despite the COVID-19 related challenges, the Corporation believes its unique capital structure, whereas its debt agreements contain no financial covenants, and government programs, in particular the Canadian Emergency Wage Subsidy, greatly enhance its ability to manage through the economic uncertainty.

Management believes the overall impact and influence of the current economic conditions will continue to have a negative on impact on demand for the Company's services for the remainder of 2020. The quantum of the impact remains highly uncertain and will be directly correlated to the capital spending of the Company's customers. Management has taken several steps, including implementing aggressive operating cost reductions, revising terms of its lease and lending agreements, and participating in various government emergency relief programs, to improve its short-term liquidity and mitigate the risks associated with the decrease in demand for the Company's services.

Although the balance of 2020 is clouded with risk and uncertainty, there is optimism for the long term. Major infrastructure spending has been announced by provincial and federal governments, that should have significant positive impacts on the western Canadian economy. Additionally, several major oil and gas pipelines, including Trans Mountain, Costal Gas Link and Keystone XL have cleared major hurdles and opposition. The service companies in our industry that can survive and recover from COVID-19, will be well positioned to benefit from these projects and participate in building a sustainable economic future in western Canada.

SELECTED FINANCIAL INFORMATION

	Three months ended March 31,		
($ 000's)	2020	2019	($) Change
Financial results			
Revenue	7,646	5,156	2,490
Gross Margin[(1)]	1,777	1,332	445
Operating earnings[(2)]	1,446	972	474
Net income	871	291	580
Cash generated from (used in) operating activities	(1,206)	41	(1,247)
Share Information			
Net income per share	-	-	-
Share price	0.015	0.010	0.005
Other Information			
Capital expenditures	4,493	7	4,486

($ 000's)	March 31, 2020	December 31, 2019	($) Change
Financial Position			
Total assets	20,031	13,970	6,061
Total debt obligations (includes current portion)	19,085	14,412	4,673
Total liabilities	20,892	16,362	4,530
Net assets	(861)	(2,392)	1,531

(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.

OVERALL PERFORMANCE

For the three month period ended March 31, 2020, Cordy's consolidated revenues increased by 48 percent, from the comparative period in 2019. Cordy's consolidated operating earnings increased $0.5 million or 49 percent from the comparative period. Cordy's net income was $0.9 million for the three months ended March 31, 2020, as compared to $0.3 million for the three months ended March 31, 2019, representing a 199% increase over the prior period.

The Environmental Services segment saw a significant increase in revenue for the three month period ended March 31, 2020, from the comparative period in 2019. The increase was directly related to market share gains in the oil and gas sector. Cordy's revenue consisted of 82 percent oilfield services (2019 – 43 percent) in Q1.

Overall, operating earnings increased 49 percent. As a percentage of revenue, operating earnings remained at 19 percent of revenue in 2020 as compared to 19 percent in 2019.

ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS

	Three months ended March 31,		
($ 000's)	**2020**	**2019**	**($) Change**
Revenue			
Environmental Services	7,490	5,026	2,464
Heavy Construction	149	129	20
Corporate	7	1	6
	7,646	5,156	2,490
Direct operating expenses			
Environmental Services	5,798	3,753	2,045
Heavy Construction	71	71	-
Corporate	-	-	-
	5,869	3,824	2,045
General and administrative expenses			
Environmental Services	130	106	24
Heavy Construction	-	-	-
Corporate	201	254	(53)
	331	360	(29)
Operating earnings[(1)]			
Environmental Services	1,562	1,167	395
Heavy Construction	78	58	20
Corporate	(194)	(253)	59
	1,446	972	474
Depreciation	465	496	(31)
Finance costs	110	185	(75)
Gain on disposal	-	-	-
Earnings before tax	871	291	580
Income tax expense	-	-	-
Net earnings	871	291	580

[(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.

Revenue
For the three months ended March 31, 2020, Cordy's consolidated revenue increased by 48 percent as compared to the same period ended March 31, 2019. The significant increase was driven by Environmental Services' market share gains in the oilfield services sector. Revenue for the three months ended March 31, 2020 consisted of 82 percent oilfield services (2019 – 43 percent) in Q1.

Direct operating expenses ("DOE")
For the three months ended March 31, 2020, consolidated DOE were $5.9 million as compared to $3.8 million in the same period of the prior year. As a percentage of revenue DOE increased to 77 from 74 percent in 2019. Most of the expenses relate to the Environmental Services segment; where DOE as a percentage for the three months ended March 31, 2020 was 77 percent compared to 75 percent in 2019. On a consolidated basis DOE has increased as a percentage of revenue due to Environmental Services increased reliance on rental equipment to service the increase in activity experienced in Q1 2020.

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 March 31, 2020, G&A was $0.3 million compared to $0.4 million for the same period of the prior year. The decrease of $0.1 million to G&A is directly related to a reduction in the number of executive employees at the corporate level.

Depreciation
Depreciation remained consistent at $0.5 million for the three months ended March 31, 2020 and 2019. There is less depreciation annually based on diminishing balance calculation. The decrease in depreciation from the diminishing balance calculation was partially offset by depreciation from additions during the quarter.

Finance costs
Finance costs were $0.1 million for the three months ended March 31, 2020 as compared to $0.2 million for the same period of 2019. Finance costs are lower due to a recovery recognized in the quarter.

OFF-BALANCE-SHEET ARRANGEMENTS

As at March 31, 2020, the Corporation had no off-balance-sheet arrangements (March 31, 2019 – $nil, except for operating leases previously described in the 2019 MD&A).

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

	2020	2019				2018		
($ millions) (except per share information)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	7.6	3.6	4	3.6	5.2	3.4	3.9	3.3
Operating earnings (1)	1.4	(0.1)	0.6	0.4	1.0	0.1	0.6	0.1
Net income (loss)	0.9	(0.8)	0.0	0.1	0.3	(0.3)	(0.1)	(0.4)
Earnings (loss) per share	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from (used in) operations	(1.2)	0.8	0.6	0.5	0.0	1.0	(0.1)	0.1

(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:

- 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.
- Q2 2019 saw a slight increase in revenue, coupled with improving margins, this is stemming from high margin work and continued cost cutting initiatives by management.
- Q1 2019 saw improved results coupled with a significant increase in demand from Cordy's municipal and industrial customers which accounted for 57 percent of revenue (2018 – 36 percent).
- Q4 2018 saw the continual trend of increased demand for Cordy's services, operating earnings were impacted by higher than expected repair and maintenance expenses, used to ready the fleet for the upcoming drilling season.
- Q3 2018 saw a significant increase in revenue stemming from Cordy's increased focus on sales efforts, additionally Cordy continued to focus on its diversification strategy, resulting in additional revenue streams.
- Q2 2018 trended similar to the first quarter of 2018, in that demand for services continued to improve. In the quarter Cordy recognized a bad debt of $0.2 million, with respect to remediation services performed on a pipeline spill.

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.

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Measures enacted to prevent the spread of the virus have resulted in global business disruption with significant economic repercussions. The current economic climate has caused uncertainty and extraordinary volatility in the oil and gas industry, particularly in the Western Canadian Sedimentary Basin. The demand for oil has significantly deteriorated and has been further impacted by certain actions taken by the Organization of Petroleum Exporting Countries. The convergence of these events has created an unprecedented simultaneous impact of a decline in global oil demand and a risk of a substantial increase in oil supply.

These events have negatively impacted, and are expected to continue to negatively impact, Cordy's business for the remainder of 2020. Due to the significant demand destruction for crude oil and related hydrocarbons resulting in major customers cutting or suspending capital programs for Canadian operations, Cordy anticipates a significant decline relative to its initial forecasts.

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 March 31, ($ 000's)	2020	2019	$ Change
Borrow ing capacity	2,332	1,941	391
Draw ings on credit facility	2,332	(1,650)	3,982
Available credit facility	-	291	(291)

The Corporation entered into a line of credit agreement, with a private lender, pursuant to which it may borrow up to an amount equal to 50% of eligible receivables, on a revolving basis (the "Credit Facility"). Based on the current level of eligible receivables at March 31, 2020, Cordy's availability under the Credit Facility is approximately $nil as at March 31, 2020. The Agreement includes a General Security Agreement that grants the Creditor a continuing security interest in all present and after acquired property of Cordy and its subsidiaries. The Credit Facility bears interest at the rate equal to the Bank of Canada prime rate plus 4% per annum and has an initial term of two years subject to earlier demand being made by the lender.

Subsequent to March 31, 2020, to provide temporary liquidity while managing the economic impact the COVID – 19, Cordy and its Lender agreed to amend certain terms of it Credit Facility, increasing the Maximum Amount from 50% to 90% of eligible receivables (the "Amended Terms"). As at July 7, 2020, Cordy had a balance drawn on its Credit Facility of $0.6 million, with a Maximum Amount of $1.4 million ($0.8 million available) under the Amended Terms.

FINANCIAL MANAGEMENT

Three months ended March 31, ($ 000's)	2020	2019	$ Change
Cash generated provided by (used in):			
Operating activities	(1,205)	41	(1,246)
Financing activities	959	417	542
Investing activities	(151)	(7)	(144)
Decrease in cash	(397)	451	(848)

Cash flows from operating activities decreased in the three-month period ended March 31, 2020 from the same period in 2019 by $1.2 million, this is due to a negative change to working capital stemming from timing differences of collection and payments. The Corporation experienced a significant increase in operations, driving up its receivables, in the three-month period ended March 31, 2020 s receivables balances during the three month period ended March 31, 2020 as compared to the same period in 2019.

Cash flows from financing activities increased by $0.5 million in the three month period ended March 31, 2020 from the same period in 2019. The increase is from Cordy's line of credit used to fund increased operations, partially offset by finance lease repayments.

Cash flows from investing activities decreased in the three month period ended March 31, 2020 from the same period in 2019 by $0.1 million due to cash costs associated the asset acquisitions 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 existing lending arrangements and asset dispositions as needed.

($ 000's)	March 31, 2020	December 31, 2019	$ Change
Cash	-	397	(397)
Loans and leases	19,085	14,412	4,673
Net debt	(19,085)	(14,015)	(5,070)
Working capital [(1)]	(2,400)	(2,250)	(150)

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

Working capital has decreased by $0.2 million for the period primarily from the additional $0.5 million of current lease liability related to the asset acquisition (the “Acquired Assets”) that closed near the end on the quarter, March 18th, 2020. The Acquired Assets did not have sufficient time to generate a normalized working capital level to offset the additional lease liability.

Receivables were $5.4 million as at March 31, 2020 as compared to $2.9 million as at December 31, 2019. The $2.5 million increase in receivables, was offset by a $0.7 million increase to bank indebtedness, $1.0 million increase to related party loan payable, and a $0.2 million decrease in trade payables.

LOANS AND BORROWING

	March 31, 2020	December 31, 2019
Current liabilities		
Bank indebtedness	2,332	1,650
Related party loan payable	1,000	-
Lease obligations - equipment and vehicles	2,668	2,059
Lease obligations - office and shop	365	350
Current portion of debt	6,365	4,059
Non-current liabilities		
Lease obligations	12,255	9,787
Lease obligations - equipment and vehicles	465	566
Non-current portion of debt	12,720	10,353
Total debt obligations	19,085	14,412

Lease obligations – equipment and vehicles

The Corporation operates under several lease agreements with its equipment lender (“the Leases”), the Leases consist of consolidated monthly payments of $288,000. The Leases bear interest at 4.95% to 7.45% until August 2020 at which point the interest rate on certain loans will be a variable rate equal to prime plus 2.0%. All future payments are subject to change as the Corporation has the option 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

The corporation operates under a single lease agreement with its landlord (“the Landlord”), the lease consists of monthly payments of $33,000 per month, with a maturity date of June 2022.

TRANSACTIONS WITH RELATED PARTIES

Heart River Holdings (“HRH”) and 1279107 AB Ltd. (“107”) are considered related parties; each being wholly-owned by Craig Heitrich (“Heitrich”) (collectively, the “Parties”), the Chief Operating Officer (“COO”) of Cordy. Heitrich, through 107, holds approximately 10.8% (2019 – nil %) of Cordy’s outstanding common shares. All the transactions between Cordy and the Parties stem from an asset acquisition (the “Transaction”). which closed March 18th, 2020 (“Closing”). As partial compensation, on Closing, Cordy issued 25,000,000 million common shares to 107, issued $1.0 million in promissory notes ($0.75 million to 107 and $0.25 million to HRH) (the “Notes”), and entered into an employment arrangement whereas Heitrich assumed the COO role at Cordy. At the time of the Transaction Cordy and the Parties were considered arm’s length parties and all transactions were measured at the exchange amount.

Related party Notes payable

The Corporation issued promissory notes on March 18th, 2020 to 107 -$0.75 million and HRH -$0.25 million. The Notes’ are interest free with the principal amount due and payable on August 9, 2020 (the "Maturity Date"). Amounts of principal that remain unpaid after the Maturity Date, bear interest at a rate of five percent per annum, payable on demand, from the date of such non-payment until such amount is paid in full. The Notes are secured by GSAs on all present and after-acquired personal property; subordinate to security held by Cordy’s Lender.

	March 31 2020	December 31, 2019
Related party loan payable	**1,000**	-

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.

Three months ended March 31, ($ 000's)	2020	2019
Revenue	7,646	5,156
Deduct:		
Direct operating expenses	5,869	3,824
Gross Margin	1,777	1,332

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 March 31, ($ 000's)	2020	2019
Net earnings	871	291
Add (deduct):		
Depreciation expense	465	496
Financing expense	110	185
Loss (gain) on disposal of equipment	-	-
Operating earnings	1,446	972

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, 2019.

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, 2019, 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, 2019 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 2020 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 2020;
- 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.