



Condensed Interim Consolidated Financial Statements  
(Unaudited)

**For the three and six months ended June 30, 2015 and 2014**

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**National Instrument 51-102  
Continuous Disclosure Obligations  
Notice**

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Pursuant to Part 4.3 (3) of National Instrument 51-102, these unaudited condensed interim consolidated financial statements of Enterprise Group, Inc. for the three and six months ended June 30, 2015 have not been reviewed by the Company's external auditors.

**ENTERPRISE GROUP, INC.**

**Condensed Interim Consolidated Statements of Financial Position**

	<b>June 30, 2015 (unaudited)</b>	<b>December 31, 2014 (audited)</b>
<b>Assets</b>		
Cash and cash equivalents (note 3)	\$ 7,083,351	\$ 9,888,351
Trade and other receivables (note 3)	12,061,379	20,516,289
Unbilled revenue	2,336,728	3,090,705
Inventories	2,621,122	2,702,278
Deposits and prepaid expenses	996,914	1,388,482
	<b>25,099,494</b>	<b>37,586,105</b>
Property, plant and equipment (note 4)	93,821,213	94,704,359
Investment property	3,910,000	3,910,000
Goodwill	15,747,831	15,747,831
Intangible assets	5,285,533	5,665,722
Deferred tax assets	7,931,206	7,487,305
	<b>126,695,783</b>	<b>127,515,217</b>
<b>Total assets</b>	<b>\$ 151,795,277</b>	<b>\$ 165,101,322</b>
<b>Liabilities</b>		
Trade and other payables (note 3)	\$ 7,165,870	\$ 12,892,518
Income taxes payable	1,901,380	2,024,464
Current portion of loans and borrowings (note 5)	7,007,660	11,001,090
	<b>16,074,910</b>	<b>25,918,072</b>
Long term portion of loans and borrowings (note 5)	41,117,570	44,058,448
Deferred tax liabilities	13,521,286	13,521,286
	<b>70,713,766</b>	<b>83,497,806</b>
<b>Equity</b>		
Share capital	78,024,292	77,969,392
Warrants	4,007,454	4,007,454
Convertible debenture	-	63,479
Contributed surplus	5,129,287	4,346,621
Deficit	(6,079,522)	(4,783,430)
	<b>81,081,511</b>	<b>81,603,516</b>
<b>Total equity and liabilities</b>	<b>\$ 151,795,277</b>	<b>\$ 165,101,322</b>

Approved on behalf of the Board:

\_\_\_\_\_(Signed) \_\_\_\_\_ "Leonard D. Jaroszuk" Director

\_\_\_\_\_(Signed) \_\_\_\_\_ "John Pinsent, FCA, ICD.D." Director

## Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income

	Three months June 30, 2015	Three months June 30, 2014	Six months June 30, 2015	Six months June 30, 2014
<b>Revenue</b>	<b>\$ 12,439,554</b>	\$ 14,069,617	<b>\$ 32,635,187</b>	\$ 35,176,922
Direct expenses	<b>(10,467,323)</b>	(10,446,637)	<b>(25,044,401)</b>	(23,006,775)
<b>Gross margin</b>	<b>1,972,231</b>	3,622,980	<b>7,590,786</b>	12,170,147
General and administrative expenses	<b>(986,095)</b>	(1,073,663)	<b>(2,233,985)</b>	(2,220,008)
Depreciation of property, plant and equipment	<b>(2,120,059)</b>	(1,474,607)	<b>(4,242,963)</b>	(2,786,875)
Finance expense	<b>(790,683)</b>	(659,839)	<b>(1,694,262)</b>	(1,258,634)
Share-based payments	<b>(325,560)</b>	(553,397)	<b>(736,587)</b>	(797,785)
Amortization of intangible assets	<b>(189,788)</b>	(172,571)	<b>(380,189)</b>	(297,573)
Acquisition costs	-	-	<b>(25,115)</b>	(244,242)
Loss (gain) on sale of property, plant and equipment	<b>(159,420)</b>	215,689	<b>(201,384)</b>	79,819
Other income	<b>134,907</b>	135,273	<b>146,511</b>	53,514
<b>Income before income tax</b>	<b>(2,464,467)</b>	39,865	<b>(1,777,188)</b>	4,698,363
Income tax recovery (expense)	<b>675,796</b>	290,094	<b>481,096</b>	(41,588)
<b>Net (loss) income</b>	<b>(1,788,671)</b>	329,959	<b>(1,296,092)</b>	4,656,775
<b>Net (loss) income and comprehensive (loss) income</b>	<b>\$ (1,788,671)</b>	\$ 329,959	<b>\$ (1,296,092)</b>	\$ 4,656,775
<b>Earnings per share (note 8)</b>				
<b>Basic (loss) earnings per share</b>	<b>\$ (0.04)</b>	\$ 0.01	<b>\$ (0.03)</b>	\$ 0.11
<b>Diluted (loss) earnings per share</b>	<b>\$ (0.04)</b>	\$ 0.01	<b>\$ (0.03)</b>	\$ 0.11

## Condensed Interim Consolidated Statements of Cash Flows

	Six months June 30, 2015	Six months June 30, 2014
<b>Cash flows from operating activities:</b>		
<b>Net (loss) income</b>	<b>\$ (1,296,092)</b>	<b>\$ 4,656,775</b>
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	4,242,963	2,786,875
Amortization of intangible assets	380,189	297,573
Loss (gain) on sale of property, plant and equipment and other assets	201,384	(79,819)
Share-based payments	736,587	797,785
Deferred income taxes	(443,901)	41,588
Finance expense	1,694,262	1,202,930
Change in non-cash working capital (note 10)	3,831,879	(4,762,691)
<b>Net cash provided by operating activities</b>	<b>9,347,271</b>	<b>4,941,016</b>
<b>Cash flows from financing activities:</b>		
Net proceeds from (repayments of) bank loan facility	(2,585,127)	12,874,586
Interest and borrowing costs paid on loans and borrowings	(1,468,912)	(1,158,473)
Repayment of term loan	(175,387)	(639,298)
Repayment of finance lease liabilities	(4,848,061)	(2,780,654)
Repayment of mortgage facility	(38,718)	(52,228)
Repayment of convertible debentures	(1,644,000)	-
Issuance of common shares	-	43,601,200
Share issue costs	-	(8,224,998)
Stock options exercised	37,500	273,000
Warrants exercised	-	171,342
<b>Net cash (used) provided by financing activities</b>	<b>(10,722,705)</b>	<b>44,064,477</b>
<b>Cash flows from investing activities:</b>		
Cash paid for acquisition of subsidiaries	-	(25,886,000)
Purchase of property, plant and equipment (note 4)	(2,061,120)	(7,331,044)
Proceeds on sale of property, plant and equipment	631,554	1,054,487
<b>Net cash used by investing activities</b>	<b>(1,429,566)</b>	<b>(32,162,557)</b>
<b>Change in cash and cash equivalents</b>	<b>(2,805,000)</b>	<b>16,842,936</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>9,888,351</b>	<b>4,568,288</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 7,083,351</b>	<b>\$ 21,411,224</b>

## Condensed Interim Consolidated Statements of Changes in Equity

	Number of common shares	Share capital	Warrants	Contributed surplus	Convertible debenture	Deficit	Total
<b>Balance at December 31, 2013</b>	87,881,002	\$36,650,333	\$453,916	\$2,734,634	\$221,242	\$(10,514,829)	\$29,545,296
Issuance of common shares on acquisition	22,223,890	16,001,200	-	-	-	-	16,001,200
Issuance of common shares by prospectus	27,600,000	27,600,000	3,621,167	-	-	-	31,221,167
Share issue costs net of tax	-	(8,546,672)	-	-	-	-	(8,546,672)
Stock options exercised	1,675,000	398,795	-	(125,795)	-	-	273,000
Warrants exercised	276,736	238,970	(67,629)	-	-	-	171,341
Conversion of convertible debentures	5,800,000	2,900,000	-	-	(157,763)	-	2,742,237
Share-based payments	-	-	-	797,784	-	-	797,784
Net income	-	-	-	-	-	4,656,775	4,656,775
<b>Balance as at June 30, 2014</b>	145,456,628	\$75,242,626	\$4,007,454	\$3,406,623	\$63,479	\$(5,858,054)	\$76,862,128
<b>Balance as at December 31, 2014</b>	148,256,828	\$77,969,392	\$4,007,454	\$4,346,621	\$63,479	\$(4,783,430)	\$81,603,516
Stock options exercised	150,000	54,900	-	(17,400)	-	-	37,500
Consolidation of common shares (Note 6)	(98,937,885)	-	-	-	-	-	-
Expiry of convertible debentures	-	-	-	63,479	(63,479)	-	-
Share-based payments	-	-	-	736,587	-	-	736,587
Net income	-	-	-	-	-	(1,296,092)	(1,296,092)
<b>Balance as at June 30, 2015</b>	49,468,943	\$78,024,292	\$4,007,454	\$5,129,287	-	\$(6,079,522)	\$81,081,511

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2015 and 2014

**1. Reporting entity**

Enterprise Group, Inc. ("Enterprise" or the "Company") is a public company incorporated under the Alberta Business Corporations Act and its shares are listed on the Toronto Stock Exchange under the symbol "E". Enterprise is a consolidator of businesses providing services to the utility, energy and construction industries. The Company has a fleet of trucks and heavy equipment to install underground utilities and to provide tunnelling services. Additionally, the Company rents heavy equipment, flameless heating units and oilfield site service infrastructure throughout Western Canada. Enterprise's head office is located at #2, 64 Riel Drive, St. Albert, Alberta, T8N 4A4.

The financial statements of the Company as at June 30, 2015, and December 31, 2014, are comprised of the Company and its wholly owned subsidiaries. The consolidated financial statements were authorized for issue by the Board of Directors on August 13, 2015.

**2. Significant accounting policies**

The unaudited condensed interim consolidated financial statements are prepared by management and reported in Canadian dollars, in accordance with International Accounting Standard "IAS" 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's 2014 Audited Consolidated Financial Statements and the notes thereto.

The unaudited condensed interim consolidated financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in the Company's Audited Consolidated Financial Statements for the fiscal year ended December 31, 2014.

**3. Financial instruments and risk management**

**(a) Fair value of financial instruments**

The estimated fair value of the Company's financial instruments approximates the amount for which the financial instrument could currently be exchanged in an arm's length transaction between willing parties who are under no compulsion to act. The carrying value of trade and other receivables, deposits and trade and other payables, approximate fair value because of the near term to maturity of these instruments. The fair value of loans and borrowings is a level 2 measurement and are based on discounted future cash flows using the rates that reflect observable current market rates for similar instruments with similar terms and conditions. The estimated fair value approximates the carrying value at June 30, 2015.

The carrying amounts presented in the balance sheet relate to the following categories of assets and liabilities:

	June 30, 2015	December 31, 2014
<b><u>Financial assets</u></b>		
Cash and cash equivalents	\$ 7,083,351	\$ 9,888,351
Trade and other receivables	\$ 12,061,379	\$ 20,516,289
Deposits	\$ 446,441	\$ 421,304
<b><u>Financial liabilities</u></b>		
Trade and other payables	\$ 7,165,870	\$ 12,892,518
Loans and borrowings	\$ 48,125,230	\$ 55,059,538

Included in cash and cash equivalents, the Company has two letters of credit in the amount of \$3,793,500 pledged as security against specific leased assets. The letters of credit are financed with redeemable GICs. The letters of credit are available to the Company to utilize against the specific outstanding finance lease liability.

## Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2015 and 2014

**Financial risk management**

The Company's activities expose it to a variety of financial risks such as credit risk, liquidity risk and market risk. The Board of Directors oversees management's establishment and execution of the Company's risk management framework.

**(b) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk through cash and cash equivalents and trade and other receivables. The Company manages the credit risk associated with its cash and cash equivalents by holding its funds in financial institutions with high credit ratings. Credit risk for trade and other receivables are managed through established credit monitoring activities.

The Company has trade receivables from customers in the utilities/infrastructure construction industry, as well as customers in the oil and gas industry. Credit risk is mitigated due to significant customers being large industry leaders, following a program of credit evaluation and limiting the amount of customer credit where deemed necessary. The Company monitors trade receivables monthly to identify any amounts which are past due and considers if they are impaired. This assessment is done on an invoice by invoice basis. Losses from trade accounts receivable have not historically been significant. As such the Company has recorded a provision of doubtful accounts at June 30, 2015, of \$225,000 (December 31, 2014 - \$300,419).

The majority of the non current accounts receivable relates to sub division underground utilities installation for large energy and utility providers and as such invoices outstanding over 90 days are not uncommon. Management is aware of uncollectible receivables in this category of \$nil, (2014 - \$nil) as at June 30, 2015, which is included in the \$225,000 above (December 31, 2014 - \$nil, which is included in the \$300,419 above).

At June 30, 2015, \$4,250,000 or 42% of trade receivables were from two customers compared to \$6,330,000 or 33% from two customers as at December 31, 2014.

	June 30, 2015	December 31, 2014
Current (less than 90 days)	\$ 10,385,680	\$ 19,196,611
Past due (more than 90 days)	1,675,699	1,319,678
<b>Total</b>	<b>\$ 12,061,379</b>	<b>\$ 20,516,289</b>

Included in trade receivables past due (more than 90 days) is \$54,150 (December 31, 2014 - \$193,000) of holdback receivables.



Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2015 and 2014

(c) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations. On an ongoing basis the Company manages liquidity risk by maintaining adequate cash and cash equivalents balances and appropriately utilizing available lines of credit. Management believes that forecasted cash flows from operating activities, along with available lines of credit, will provide sufficient cash requirements to cover the Company's forecasted normal operating activities, commitments and capital expenditures.

The following are undiscounted contractual maturities of financial liabilities, including estimated interest at June 30, 2015, and December 31, 2014:

<b>June 30, 2015</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Due within one year</b>	<b>Two-five years</b>	<b>More than five years</b>
Trade and other payables	\$ 7,165,870	\$ 7,165,870	\$ 7,165,870	\$ -	\$ -
Long term loans and borrowings including current portion	48,125,230	53,896,393	9,275,065	43,556,177	1,065,151
Operating lease commitments	-	3,998,392	1,319,279	2,679,113	-
	<b>\$ 55,291,100</b>	<b>\$ 65,060,655</b>	<b>\$ 17,760,214</b>	<b>\$ 46,235,290</b>	<b>\$ 1,065,151</b>

  

<b>December 31, 2014</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Due within one year</b>	<b>Two-five years</b>	<b>More than five years</b>
Trade and other payables	\$ 12,892,518	\$ 12,892,518	\$ 12,892,518	\$ -	\$ -
Long term loans and borrowings including current portion	55,059,538	62,319,514	13,877,856	47,310,235	1,131,423
Operating lease commitments	-	4,325,194	1,123,530	3,201,664	-
	<b>\$ 67,952,056</b>	<b>\$ 79,537,226</b>	<b>\$ 27,893,904</b>	<b>\$ 50,511,899</b>	<b>\$ 1,131,423</b>

(d) **Market risk**

Market risk is the risk of changes in market prices, such as interest rates, which will affect the Company's income or the value of its financial instruments. Management has assessed the effect of a 1% interest rate increase or decrease in the prime lending rate at June 30, 2015, to impact the Company's annual interest expense by approximately \$329,000 (December 31, 2014 - \$350,000). The Company has not entered into any derivative agreements to mitigate this risk.

**Capital management**

The primary objective of capital management is to ensure the Company has sufficient capital to support its business and maximize shareholder value. The Company manages its capital in proportion to the risk of the underlying assets and makes adjustments in light of changes in economic conditions and risks. The Company's strategy remains unchanged from prior periods. Management considers its capital structure to include net debt and adjusted capital of the Company. Adjusted capital comprises all components of equity (share capital, contributed surplus, warrants, convertible debenture and deficit), other than amounts in accumulated other comprehensive income relating to the marketable securities. Included in net debt is the bank loan facility which requires the Company to maintain certain financial covenants as defined below.

The Company's objectives when managing capital are to finance its operations and growth strategies and to provide an adequate return to its shareholders. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt. As at June 30, 2015 the Company has met these objectives.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2015 and 2014

The Company's covenants are as follows:

	June 30, 2015	Minimum Required	December 31, 2014	Minimum Required
Fixed charge coverage ratio	1.11	To exceed 1.10	2.02	To exceed 1.25
Senior leverage ratio	2.48	Not to exceed 3.25	2.15	Not to exceed 2.5
		Not to exceed		Not to exceed
Capital expenditure	3,561,201	\$6,000,000	\$22,995,000	\$25,000,000

Effective June 30, 2015, the Company amended the covenants to its bank loan facility. As a result of the amendment, the Company is required to maintain a senior leverage ratio of not greater than 3.25:1.00 beginning June 30, 2015, and 2.50:1.00 beginning March 31, 2016 and each quarter thereafter; a fixed charge coverage ratio of not less than 1.10:1.00 beginning June 30, 2015, 1.00:1.00 beginning September 30, 2015 and 1.25:1.00 beginning March 31, 2016 and each quarter thereafter; cash maintained outside of the bank loan facility is to be not greater than \$6,800,000 beginning July 1, 2015 and not greater than \$3,000,000 beginning September 1, 2015 and thereafter. All other terms and conditions of the facility are unchanged.

As at June 30, 2015 the Company was in compliance with all financial covenants. The minimum covenants are noted in the table above. The Company monitors these requirements on an ongoing basis and reports on its compliance to its lender on a monthly basis.

**Fair value determination**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**4. Property, plant and equipment**

Cost or deemed cost	Balance at December 31, 2014				Balance at June 30, 2015	
		Additions	Disposals	Reclassification		
Buildings	\$ 470,064	\$ -	\$ -	\$ -	\$ 470,064	
Leasehold improvements	787,053	39,161	-	-	826,214	
Computers and communication equipment	494,043	47,199	(1,315)	-	539,927	
Small equipment	3,101,743	55,830	(3,987)	-	3,153,586	
Light automotive equipment	5,334,190	113,700	(252,176)	-	5,195,714	
Heavy automotive, construction and portable rental equipment	95,974,842	3,936,865	(1,209,669)	(159,084)	98,542,954	
Portable rental equipment under construction	2,022,261	-	-	159,084	2,181,345	
	<b>\$ 108,184,196</b>	<b>\$ 4,192,755</b>	<b>\$ (1,467,147)</b>	<b>\$ -</b>	<b>\$ 110,909,804</b>	

Cost or deemed cost	Accumulated depreciation			Carrying amounts		
	Balance at December 31, 2014	Depreciation for the period	Disposals	Balance at June 30, 2015	Balance at December 31, 2014	Balance at June 30, 2015
Buildings	\$ 10,562	\$ 9,723	\$ -	\$ 20,285	\$ 459,502	\$ 449,779
Leasehold improvements	246,243	74,628	-	320,871	540,810	505,343
Computers and communication equipment	178,718	52,312	(110)	230,920	315,325	309,007
Small equipment	1,373,344	200,671	(86)	1,573,929	1,728,399	1,579,657
Light automotive equipment	1,327,378	393,235	(92,616)	1,627,997	4,006,812	3,567,717
Heavy automotive, construction and portable rental equipment	10,343,592	3,512,395	(541,398)	13,314,589	85,631,250	85,228,365
Portable rental equipment under construction	-	-	-	-	2,022,261	2,181,345
	<b>\$ 13,479,837</b>	<b>\$ 4,242,964</b>	<b>\$ (634,210)</b>	<b>\$ 17,088,591</b>	<b>\$ 94,704,359</b>	<b>\$ 93,821,213</b>

Included in the carrying amount of \$94,902,319 is \$2,181,345 (2014 - \$2,022,261) of heavy automotive, construction and portable rental equipment under construction, which is not being depreciated as it is not yet available for use.

## Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2015 and 2014

**Depreciation and impairment charge**

The depreciation and impairment of property, plant and equipment, and any eventual reversal thereof, are recognized in depreciation expense in profit or loss.

**5. Loans and borrowings**

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortized cost.

	June 30, 2015	December 31, 2014
Current portion of loans and borrowings		
Current portion of vendor take-back loans	\$ 1,254,610	\$ 1,262,125
Convertible debenture	-	1,584,024
Term loan facilities	329,932	326,818
Current portion of finance lease liabilities	5,343,268	7,749,885
Current portion of mortgage facilities	79,850	78,238
<b>Total current portion of loans and borrowings</b>	<b>7,007,660</b>	<b>11,001,090</b>
Non-current portion of loans and borrowings		
Bank loan facility	31,231,814	33,716,737
Vendor take-back loans	785,037	728,427
Term loan facilities	152,486	314,912
Finance lease liabilities	7,686,859	7,996,668
Mortgage facilities	1,261,374	1,301,704
<b>Total non-current portion loans and borrowings</b>	<b>41,117,570</b>	<b>44,058,448</b>
<b>Total loans and borrowings</b>	<b>\$ 48,125,230</b>	<b>\$ 55,059,538</b>

**6. Share capital****Authorized:**

Unlimited Common shares

Unlimited Preferred shares, issuable in series, terms to be set at issuance

Changes in issued share capital are described in the Share-based payments note contained in these financial statements.

On June 24, 2015, the Company proceeded with a consolidation of its outstanding common shares on the basis of one (1) post-consolidation common share for every three (3) pre-consolidation common shares held (the "Consolidation"). The Consolidation was approved at the annual and special meeting of shareholders held on May 28, 2015. Listed warrants ("Listed Warrants") of the Company trading on the TSX under the symbol "E.WT" (expiring on December 20, 2015) will continue to be traded on the TSX under such symbol following the Consolidation of its common shares. The Listed Warrants are not being consolidated. Following the Consolidation, each three (3) Listed Warrants will entitle the holder to purchase one post-consolidated common share of the Company at the adjusted total exercise price of \$3.00. All share information presented in these financial statements has been retroactively adjusted to reflect the reduced number of shares resulting from this consolidation.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2015 and 2014

**7. Share-based payments**

**(a) Stock option program (equity-settled)**

The Company has a stock option plan to purchase common shares over a period ranging from two to five years from the date the option is granted at prices approximating market prices on the day prior to the date of grant.

<b>Outstanding stock options June 30, 2015</b>	<b>Number</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining contractual life (months)</b>
Stock options, beginning of period	14,360,000	\$ 0.64	21
Exercised	(150,000)	\$ 0.25	-
Forfeited	(1,243,500)	\$ 0.70	-
Consolidation of outstanding stock options	(8,644,333)	\$ -	-
<b>Stock options, end of the period</b>	<b>4,322,167</b>	<b>\$ 2.23</b>	<b>20</b>
<b>Exercisable stock options, June 30, 2015</b>	<b>2,144,167</b>	<b>\$ 2.07</b>	<b>17</b>

As described in Note 6, the Company consolidated its outstanding shares on a 3 for 1 basis. Stock options have been consolidated on the same basis.

**8. Earnings per share**

The income available to common shareholders and weighted average number of common shares outstanding for comparative basic and diluted earnings per share are:

	<b>Three months June 30, 2015</b>	Three months June 30, 2014	<b>Six months June 30, 2015</b>	Six months June 30, 2014
Weighted average common shares outstanding – basic	<b>48,802,276</b>	48,356,133	<b>49,461,853</b>	43,255,202
Effect of stock options and warrants	-	936,347	<b>6,897</b>	962,542
<b>Weighted average common shares – diluted</b>	<b>48,802,276</b>	49,292,480	<b>49,468,750</b>	44,217,744
Net income	<b>\$(1,788,671)</b>	\$329,959	<b>\$(1,296,092)</b>	\$4,656,775
Basic earnings per share	<b>\$(0.04)</b>	\$0.01	<b>\$(0.03)</b>	\$0.11
Diluted earnings per share	<b>\$(0.04)</b>	\$0.01	<b>\$(0.03)</b>	\$0.11

In calculating diluted earnings per common share for the three months ended June 30, 2015, the Company excluded 1,578,889 stock options and 12,932,305 warrants (2014 – nil stock options, the convertible debentures and 11,797,500 warrants respectively), as their impact was anti-dilutive.

As described in Note 6, the Company consolidated its outstanding shares on a 3 for 1 basis. Stock options have been consolidated on the same basis.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2015 and 2014

**9. Related party transactions**

The Company has entered into various transactions in the normal course of business with corporations controlled by officers and directors of the Company and corporations that have common ownership. These transactions were recorded at the exchange amount established and agreed to by the parties. Management and consulting fees were paid to companies controlled by Leonard Jaroszuk, President and Chief Executive Officer, and Doug Bachman (retired March 2015), Chief Operating Officer as compensation for serving the Company in those roles.

Six months ended June 30	2015	2014
Management and consulting fees	\$ 403,521	\$ 342,340

**10. Supplemental cash flow information**

Six months ended June 30	2015	2014
<b>(a) Changes in non-cash working capital:</b>		
Trade and other receivables	\$ 8,454,910	\$ 4,454,061
Unbilled revenue	753,977	(1,366,910)
Inventories	81,156	(320,754)
Deposits and prepaid expenses	391,568	(3,397,981)
Trade and other payables	(5,726,648)	(4,131,107)
Income taxes payable	(123,084)	-
	\$ 3,831,879	\$ (4,762,691)
<b>(b) Other non-cash transactions:</b>		
Equipment purchased under finance leases	2,131,635	6,985,934
	\$ 2,131,635	\$ 6,985,934

**(c) Cash taxes paid**

Cash taxes paid for the period ended June 30, 2015 was \$85,899 (2014 - \$nil).

**11. Segmented information**

The Company operates in two main business segments in Western Canada, utilities/infrastructure construction and equipment rental. The business segments presented reflect the management structure of the Company and the way the Company's management reviews business performance.

The accounting policies and practices of the reportable segments are the same as those described in note 2.

Six months ended June 30	Utilities/ infrastructure construction	Equipment rental	Corporate	2015
Revenues	\$ 15,829,079	\$ 16,806,108	\$ -	\$ 32,635,187
EBITDA <sup>1</sup>	2,619,990	5,054,549	(2,196,342)	5,478,197
Depreciation and amortization	1,246,245	3,353,341	23,566	4,623,152
Finance expense	801,571	756,466	136,225	1,694,262
Loss on sale of property, plant and equipment	33,003	168,381	-	201,384
Share-based payments	-	-	736,587	736,587
<b>Income (loss) before taxes</b>	<b>\$ 539,171</b>	<b>\$ 776,361</b>	<b>\$ (3,092,720)</b>	<b>\$ (1,777,188)</b>
<b>Total assets</b>	<b>\$ 54,303,028</b>	<b>\$ 82,804,531</b>	<b>\$ 14,687,718</b>	<b>\$ 151,795,277</b>

For the period ended June 30, 2015, the Company generated 42% of revenue from two customers (28% from one customer in the equipment rental division and 14% from one customer in the utilities/infrastructure construction division). No other customers comprise more than 10% of revenues.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2015 and 2014

Six months ended June 30	Utilities/ infrastructure construction	Equipment rental	Corporate	2014
Revenues	\$ 16,788,960	\$ 18,387,962	\$ -	\$ 35,176,922
EBITDA <sup>1</sup>	4,771,499	7,224,667	(2,236,755)	9,759,411
Depreciation and amortization	998,431	2,076,375	9,642	3,084,448
Finance expense	596,106	569,448	93,080	1,258,634
Loss (gain) on sale of property, plant and equipment	304,765	(384,584)	-	(79,819)
Share-based payments	-	-	797,785	797,785
<b>Income (loss) before taxes</b>	<b>\$ 2,872,197</b>	<b>\$ 4,963,428</b>	<b>\$ (3,137,262)</b>	<b>\$ 4,698,363</b>
<b>Total assets</b>	<b>\$ 46,624,155</b>	<b>\$ 56,540,496</b>	<b>\$ 26,883,079</b>	<b>\$ 130,047,730</b>

For the six months ended June 30, 2014 the Company generated 37% of revenue from two customers (24% from one customer in the equipment rental division and 13% from one customer in the utilities/infrastructure construction division). No other customers comprise more than 10% of revenues.

Three months ended June 30	Utilities/ infrastructure construction	Equipment rental	Corporate	2015
Revenues	\$ 7,652,669	\$ 4,786,885	\$ -	\$ 12,439,554
EBITDA	1,512,726	527,921	(919,604)	1,121,043
Depreciation and amortization	625,749	1,667,259	16,839	2,309,847
Finance expense	409,624	314,832	66,227	790,683
Loss (gain) on sale of property, plant and equipment	27,846	131,574	-	159,420
Share-based payments	-	-	325,560	325,560
<b>Income (loss) before taxes</b>	<b>\$ 449,507</b>	<b>\$ (1,585,744)</b>	<b>\$ (1,328,230)</b>	<b>\$ (2,464,467)</b>
<b>Total assets</b>	<b>\$ 54,303,028</b>	<b>\$ 82,804,531</b>	<b>\$ 14,687,718</b>	<b>\$ 151,795,277</b>

For the three months ended June 30, 2015, the Company generated 52% of revenue from two customers (29% from one customer in the equipment rental division and 23% from one customer in the utilities/infrastructure construction division). No other customers comprise more than 10% of revenues.

Three months ended June 30	Utilities/ infrastructure construction	Equipment rental	Corporate	2014
Revenues	\$ 8,311,555	\$ 5,758,062	\$ -	\$ 14,069,617
EBITDA	2,403,741	1,349,265	(1,068,416)	2,684,590
Depreciation and amortization	539,121	1,103,194	4,860	1,647,175
Finance expense	314,963	293,521	51,355	659,839
Loss (gain) on sale of property, plant and equipment	100,084	(315,773)	-	(215,689)
Share-based payments	-	-	553,397	553,397
<b>Income (loss) before taxes</b>	<b>\$ 1,449,573</b>	<b>\$ 268,323</b>	<b>\$ (1,678,028)</b>	<b>\$ 39,868</b>
<b>Total assets</b>	<b>\$ 46,624,155</b>	<b>\$ 56,540,496</b>	<b>\$ 26,883,079</b>	<b>\$ 130,047,730</b>

For the three months ended June 30, 2014 the Company generated 35% of revenue from two customers (24% from one customer in the equipment rental division and 11% from one customer in the utilities/infrastructure construction division). No other customers comprise more than 10% of revenues.

(1) EBITDA is defined as earnings before finance expense, taxes, depreciation and amortization, loss (gain) on disposal of property, plant and equipment, fair value adjustments, impairment losses and share-based payments. Management believes that EBITDA is a useful measure used by management when evaluating the Company's principal business activities. EBITDA is not a standard measure that has any standardized meaning prescribed by IFRS and is considered to be a non-IFRS measure. Therefore, this measure may not be comparable to similar measures presented by other companies. This measure has been described and presented in the same manner in which the chief operating decision-maker makes operating decisions and assesses performance.

**Notes to Condensed Interim Consolidated Financial Statements**

**For the three and six months ended June 30, 2015 and 2014**

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**12. Comparative numbers**

During the period, management reviewed and reclassified certain amounts related to direct expenses, finance expense and general and administrative expenses. As such, the comparative figures have been restated to reflect the basis of presentation adopted in the current period.

These reclassifications resulted in an increase of \$1,903,087 in direct expenses, a decrease in general and administrative expenses of \$1,930,939 and an increase in finance expense of \$27,852 for the three month period ended June 30, 2014.

These reclassifications resulted in an increase of \$3,885,335 in direct expenses, a decrease in general and administrative expenses of \$3,941,059 and an increase in finance expense of \$55,704 for the six month period ended June 30, 2014.

As a result of the share consolidation described in note 6, Earnings per share for the three and six months ended June 30, 2014 have been restated to provide comparability with current period calculations