ENTERPRISE
GROUP, INC.

Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2014 and 2013

National Instrument 51-102
Continuous Disclosure Obligations
Notice

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 months ended March 31, 2014 have not been reviewed by the Company's external auditors.

Condensed Interim Consolidated Statements of Financial Position

	March 31, 2014 (unaudited)	December 31, 2013 (audited)
Assets		
Cash and cash equivalents	**$ 29,830,694**	$ 4,568,288
Trade and other receivables (note 4)	**18,898,921**	7,995,050
Unbilled revenue	**3,242,360**	2,683,241
Inventories	**1,544,628**	1,248,451
Deposits and prepaid expenses	**1,203,746**	2,484,648
	54,720,349	18,979,678
Property, plant and equipment (note 5)	**57,898,537**	32,858,230
Investment property	**3,565,000**	3,565,000
Goodwill (note 6)	**8,901,304**	4,758,304
Intangible assets	**3,644,610**	3,769,612
Deferred tax assets	**2,648,374**	2,946,484
	76,657,825	47,897,630
Total assets	**$ 131,378,174**	$ 66,877,308
Liabilities		
Trade and other payables	**$ 7,520,857**	$ 6,401,932
Income taxes payable	**775,534**	389,712
Current portion of loans and borrowings (note 7)	**3,890,745**	2,510,112
	12,187,136	9,301,756
Long term portion of notes and borrowings (note 7)	**38,380,036**	23,812,918
Deferred tax liabilities	**4,217,338**	4,217,338
Total liabilities	**54,784,510**	37,332,012
Equity		
Share capital	**75,801,336**	36,650,333
Warrants (note 9b)	**4,022,348**	453,916
Convertible debenture	**63,479**	221,242
Contributed surplus	**2,894,517**	2,734,634
Deficit	**(6,188,016)**	(10,514,829)
Total equity	**76,593,664**	29,545,296
Total equity and liabilities	**$ 131,378,174**	$ 66,877,308

Approved on behalf of the Board:

(Signed) "Leonard D. Jaroszuk" Director

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

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

Condensed Interim Consolidated Statements of Income and Comprehensive Loss

(unaudited)

	Three months March 31, 2014	Three months March 31, 2013
Revenue	**$ 21,107,305**	$ 8,904,380
Direct expenses	**(10,577,870)**	(3,702,414)
Gross margin	**10,529,435**	5,201,966
General and administrative expenses	**(3,156,468)**	(1,286,360)
Acquisition costs (note 3)	**(244,242)**	-
Depreciation of property, plant and equipment	**(1,312,268)**	(476,260)
Finance expense	**(570,943)**	(183,568)
Share-based payments	**(244,388)**	(17,400)
Amortization of intangible assets	**(125,002)**	(61,490)
Loss on sale of property, plant and equipment	**(135,870)**	(12,286)
Other (expense) income	**(81,759)**	2,280
Income before income tax	**4,658,495**	3,166,882
Income tax	**(331,682)**	-
Net income and comprehensive income	**$ 4,326,813**	$ 3,166,882
Earnings per share (note 10)		
Basic earnings per share	**$ 0.04**	$ 0.05
Diluted earnings per share	**$ 0.04**	$ 0.05

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

ENTERPRISE GROUP, INC.

Condensed Interim Consolidated Statements of Cash Flows

(unaudited)

	Three months March 31, 2014	Three months March 31, 2013
Cash flows from operating activities:		
Income before income tax	**$ 4,658,495**	$ 3,166,882
Adjustments for:		
Depreciation of property, plant and equipment	**1,312,268**	476,263
Amortization of intangible assets	**125,002**	61,490
Loss on sale of property, plant and equipment and other assets	**135,870**	12,286
Share-based payments	**244,388**	17,400
Finance expense	**570,943**	183,568
Change in non-cash working capital (note 12)	**(6,481,309)**	(659,318)
Net cash provided by operating activities	**565,657**	3,258,571
Cash flows from financing activities:		
Proceeds from bank loan facility	**14,716,587**	-
Interest and borrowing costs paid on loans and borrowings	**(593,821)**	(181,257)
Repayment of term loan	**(63,226)**	(59,529)
Repayment of bank loan	**-**	(2,558,876)
Repayment of finance lease liabilities	**(1,396,579)**	(23,798)
Repayment of mortgage facility	**(25,958)**	(7,054)
Issuance of common shares	**42,601,200**	1,050,000
Share issue costs	**(3,830,858)**	-
Stock options exercised	**180,500**	54,000
Warrants exercised	**136,338**	53,334
Net cash provided by financing activities	**51,724,183**	(1,673,180)
Cash flows from investing activities:		
Cash paid for acquisition of subsidiary (note 3)	**(26,883,000)**	-
Purchase of property, plant and equipment	**(772,300)**	(1,558,016)
Proceeds on sale of property, plant and equipment	**627,866**	-
Net cash used by investing activities	**(27,027,434)**	(1,558,016)
Change in cash and cash equivalents	**25,262,406**	27,375
Cash and cash equivalents, beginning of period	**4,568,288**	1,151,616
Cash and cash equivalents, end of period	**$ 29,830,694**	$ 1,178,991

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

ENTERPRISE GROUP, INC.

Condensed Interim Consolidated Statements of Changes in Equity

(unaudited)

	Number of common shares	Share capital	Warrants	Contributed surplus	Convertible debenture	Accumulated other comprehensive loss	Deficit	Total
Balance at December 31, 2012	56,833,363	$25,899,539	$310,797	$2,113,632	$-	$(16,000)	$(16,297,255)	$12,010,713
Issuance of common shares	4,200,000	590,100	459,900	-	-	-	-	1,050,000
Stock options exercised	300,000	81,900	-	(27,900)	-	-	-	54,000
Warrants exercised	266,667	64,987	(11,653)	-	-	-	-	53,334
Share-based payments	-	-	-	17,400	-	-	-	17,400
Net income	-	-	-	-	-	-	3,166,882	3,166,882
Balance as at March 31, 2013	61,600,030	$26,636,526	$759,044	$2,103,132	$-	$(16,000)	$(13,130,373)	$16,352,329
Balance as at December 31, 2013	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 (note 3)	1,388,890	1,000,000	-	-	-	-	-	1,000,000
Issuance of common shares by prospectus	48,435,000	42,601,200	3,621,167	-	-	-	-	46,222,367
Share issue costs net of tax	-	(7,804,275)	-	-	-	-	-	(7,804,275)
Stock options exercised	1,125,000	265,005	-	(84,505)	-	-	-	180,500
Warrants exercised	232,982	189,073	(52,735)	-	-	-	-	136,338
Conversion of convertible debentures	5,800,000	2,900,000	-	-	(157,763)	-	-	2,742,237
Share-based payments	-	-	-	244,388	-	-	-	244,388
Net income	-	-	-	-	-	-	4,326,813	4,326,813
Balance as at March 31, 2014	144,862,874	$75,801,336	$4,022,348	$2,894,517	$63,479	$-	$(6,188,016)	$76,593,664

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

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 pipelines 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 March 31, 2014, and December 31, 2013, are comprised of the Company and its wholly owned subsidiaries. The consolidated financial statements were authorized for issue by the Board of Directors on May 8, 2014.

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 2013 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, 2013.

3. Business acquisitions

Hart Oilfield Rentals Ltd.

On January 3, 2014, the Company acquired all of the issued and outstanding common shares of Hart Oilfield Rentals Ltd. ("Hart"), a privately held oilfield site service infrastructure company, for an aggregate purchase price of $22,600,000 subject to certain adjustments. The fair value of of the total consideration paid was $26,883,000. The acquisition of Hart is consistent with the Company's strategy to acquire complementary companies in Western Canada consolidating capital, management and human resources to support continued growth. The Company accounted for the acquisition using the acquisition method and the operations of Hart have been included in the consolidated financial statements from the date of acquisition. Goodwill acquired with Hart comprises the value of expected synergies arising from the acquisition and the expertise and reputation of the assembled workforce. In addition to the consideration paid at closing, the final purchase price is subject to adjustment based on working capital long-term debt, approved capital commitments, and rental equipment under construction. Goodwill and intangible assets acquired are $4,143,000 and the goodwill is non-deductible for income tax purposes.

The preliminary allocation of the purchase price of the net identifiable assets based on their estimated fair values at the date of acquisition are as follows:

Working capital	$	2,878,000
Property, plant and equipment		19,862,000
Intangible assets and goodwill		4,143,000
Deferred tax liability		-
Net assets acquired	$	26,883,000

The Company acquired the following in working capital:

Trade and other receivables	$	3,792,000
Inventory, deposits and prepaids		437,000
Trade and other payables		(1,351,000)
Fair value	$	2,878,000

The Company acquired the following in property, plant and equipment:

Computers and communication equipment	$	9,000
Small equipment		251,000
Light automotive equipment		1,096,000
Heavy automotive, construction and portable rental equipment		18,506,000
Fair value	$	19,862,000

The fair value of the purchase consideration is comprised of the following:

Cash	$	25,883,000
Common shares - 1,388,890 with a fair value of $0.72 per share based on share price at date of issue		1,000,000
Total consideration paid	$	26,883,000

The above purchase price allocation is preliminary and was conducted based on a preliminary evaluation of the fair value of the assets and liabilities acquired. The purchase price allocation will remain preliminary until the Company completes its final evaluation, which is anticpated to be in the second quarter of the year.

The Company incurred acquisition costs of $244,242, which were expensed through the statement of income. This amount was comprised of due diligence, legal and interest costs.

As at the date of acquisition, the gross contractual amount of accounts receivable acquired were $3,792,000 of which 100% were estimated to be collectable.

Hart's revenues and EBITDA for the period since acquisition were $7,153,000 and $2,691,000 respectively.

4. 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, trade and other payables, and loans and borrowings approximate fair value because of the near term to maturity of these instruments.

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

	March 31, 2014	December 31, 2013
Financial assets		
Loans and receivables		
Cash and cash equivalents	**$29,830,694**	$4,568,288
Trade and other receivables	**$18,898,921**	$7,995,050
Financial liabilities		
Trade and other payables	**$7,520,857**	$6,401,932
Loans and borrowings	**$42,270,781**	$26,323,030

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 March 31, 2014 of $nil (2012 - $nil).

At March 31, 2014, $5,104,000 or 27% of trade receivables were from two customers compared to $925,000 or 12% from one customer as at December 31, 2013.

	March 31, 2014	December 31, 2013
Current (less than 90 days)	**$ 17,695,451**	$ 6,638,227
Past due (more than 90 days)	**1,203,470**	1,356,823
Total	**$ 18,898,921**	$ 7,995,050

Included in trade recievables past due (more than 90 days) is $710,000 (2013 - 398,000) of holdback receivables.

(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 March 31, 2014, and December 31, 2013:

March 31, 2014	**Carrying amount**	**Contractual cash flows**	**Due within one year**	**Two-five years**	**More than five years**
Trade and other payables	$ 7,520,857	$ 7,520,857	$ 7,520,857	$ -	$ -
Long term loans and borrowings including current portion	42,270,781	49,127,289	6,106,971	41,771,008	1,249,310
Operating lease commitments	-	2,261,590	825,407	2,193,457	78,250
	$ 49,791,638	**$ 58,909,736**	**$ 14,453,235**	**$ 43,964,465**	**$ 1,327,560**

December 31, 2013	Carrying amount	Contractual cash flows	Due within one year	Two-five years	More than five years
Trade and other payables	$ 6,401,932	$ 6,401,932	$ 6,401,932	$ -	$ -
Long term loans and borrowings including current portion	26,323,030	28,977,648	3,827,516	23,885,266	1,264,866
Operating lease commitments	-	2,261,590	656,022	1,605,568	-
	$ 32,724,962	$ 37,641,170	$ 10,885,470	$ 25,490,834	$ 1,264,866

(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 March 31, 2014, to impact the Company's annual interest expense by approximately $378,000 (2013 - $80,000). 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.

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.

The Company is in compliance with all required covenants at March 31, 2014.

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.

5. Property, plant and equipment

Cost or deemed cost	Balance at December 31, 2013	Additions	Disposals	Balance at March 31, 2014
Land	$ 375,000	$ -	$ -	$ 375,000
Buildings	603,524	-	-	603,524
Leasehold improvements	185,642	8,451	-	194,093
Computers and communication equipment	231,479	30,176	-	261,655
Small equipment	2,611,574	275,661	(1,300)	2,885,935
Light automotive equipment	2,442,364	2,194,135	-	4,636,499
Heavy automotive, construction and portable rental equipment	34,237,668	24,607,929	(973,593)	57,872,004
Portable rental equipment under construction	1,215,941	-	(215,549)	1,000,392
	$ 41,903,192	**$ 27,116,352**	**$ (1,190,442)**	**$ 67,829,102**

	Accumulated depreciation				Carrying amounts	
	Balance at December 31, 2013	Depreciation for the period	Disposals	Balance at March 31, 2014	Balance at December 31, 2013	Balance at March 31, 2014
Land	$ -	$ -	$ -	$ -	$ 375,000	$ 375,000
Buildings	20,999	1,646	-	22,645	582,525	580,879
Leasehold improvements	134,650	5,602	-	140,252	50,992	53,841
Computers and communication equipment	121,933	9,258	-	131,191	109,546	130,464
Small equipment	1,047,864	68,364	(226)	1,116,002	1,563,710	1,769,933
Light automotive equipment	845,947	140,061	-	986,008	1,596,417	3,650,491
Heavy automotive, construction and portable rental equipment	6,873,569	1,087,741	(426,843)	7,534,467	27,364,099	50,337,537
Portable rental equipment under construction	-	-	-	-	1,215,941	1,000,392
	$ 9,044,962	**$ 1,312,672**	**$ (427,069)**	**$ 9,930,565**	**$32,858,230**	**$57,898,537**

Included in the carrying amount $57,898,537 is $1,000,392, (2013 - $nil), portable equipment under construction, which is not being depreciated as it is not yet available for use.

Included in the additons of $27,116,352 is $19,862,000 of property plant and equipment related to the Hart acquisition.

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.

6. Goodwill

Carrying amount of goodwill allocated to each CGU	March 31, 2014	December 31, 2013
Artic Therm International Ltd.	**$ 1,558,530**	$ 1,558,530
Calgary Tunnelling & Horizontal Augering	**3,199,774**	3,199,774
Hart Oilfield Rentals Ltd.	**4,143,000**	-
	$ 8,901,304	$ 4,758,304

7. 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.

	March 31, 2014	December 31, 2013
Current loans and borrowings		
Current portion of vendor take-back loans	**$ 1,025,878**	$ 1,025,878
Term loan facilities	**330,840**	332,118
Current portion of finance lease liabilities	**2,435,022**	1,051,189
Current portion of mortgage facilities	**99,005**	100,927
Total current loans and borrowings	**3,890,745**	2,510,112
Non-current portion of loans and borrowings		
Bank loan facility	**29,817,855**	15,187,137
Vendor take-back loans	**493,605**	492,601
Convertible debenture	**1,361,518**	4,050,780
Term loan facilities	**541,524**	596,435
Finance lease liabilities	**4,538,477**	1,836,837
Mortgage facilities	**1,627,057**	1,649,128
Total non-current portion loans and borrowings	**38,380,036**	23,812,918
Total loans and borrowings	**$ 42,270,781**	$ 26,323,030

(a) Bank loan facility

On January 3, 2014, the Company increased its available bank loan facility from $20,000,000 to a maximum of $35,000,000, and changed the capital expenditure covenant allowing the Company's 2014 capital expenditure program to grow from $11,000,000 to $20,000,000. As a result of the amendment, the Corporation is required to maintain on a rolling twelve-month basis, a senior leverage ratio (ratio of senior debt to trailing twelve month EBITDA) of not greater than 3.25:1.0, 3.00:1.0 beginning March 31, 2014, 2.75:1.0 beginning June 30, 2014, 2.50:1.0 beginning September 30, 2014, 2.25:1.0 beginning December 31, 2014 and thereafter 2.00:1.0 beginning March 31, 2015 until the facility matures, September 7, 2017. All other terms and conditions of the facility have not changed. As at March 31, 2014, the Company is in compliance with the required covenants. The Company has drawn $30,114,461 less transaction costs of $296,606 at March 31, 2014, (2013 - $7,850,169 less transaction costs of $248,383) and the effective interest rate was 5.00% (2013 – 5.0%).

8. Share capital

Authorized:

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

9. 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.

Outstanding stock options: March 31, 2014	**Number**	**Weighted average exercise price**	**Weighted average remaining contractual life (months)**
Stock options, beginning of period	**8,100,000**	**$ 0.62**	27
Exercised	**(1,125,000)**	**0.16**	-
Stock options, end of the period	**6,975,000**	**$ 0.62**	28
Exercisable stock options: March 31, 2014	**3,727,223**	**$ 0.51**	24

(b) Share purchase warrants

March 31, 2014

	Number	**Weighted average exercise price**	**Value**
Warrants, outstanding, beginning of period	**1,411,541**	**$ 0.76**	**$ 453,916**
Issued	**11,797,500**	**1.00**	**3,621,167**
Exercised	**(232,982)**	**0.59**	**(52,734)**
Warrants, outstanding, end of period	**12,976,059**	**$ 0.76**	**$ 4,022,349**

On December 13, 2013, the Company closed an overnight marketed public offering (the Offering) of subscription receipts of the Company. On January 3, 2014, proceeds from the offering were released from escrow and the 20,835,000 subscription receipts, at a price of $0.72 per subscription receipt for aggregate gross proceeds of $15,001,200, were converted into 20,835,000 common shares and 10,417,500 common share purchase warrants. Each share purchase warrant will entitle the holder thereof to acquire one common share at an exercise price of $1.00 per share for a period of 24 months following closing of the Offering. The share purchase warrants were valued at $3,031,493 using the Black-Scholes Option Pricing Model.

The fair value of the common share purchase warrants was estimated using Black-Scholes Option Pricing Model with the following weighted average inputs.

	2014
Share price	$0.79
Exercise price	1.00
Expected term	24 months
Risk-free interest	1.07%
Expected dividends	nil
Volatility	80%

In addition, the Company issued to the Underwriters 1,250,100 of non-transferable common share purchase warrants (broker warrants) equal to 6% of the total number of subscription receipts issued pursuant to the Offering. Each broker warrant will entitle the holder thereof to acquire one common share at an exercise price of $0.80 per share for a period of 24 months following closing of the Offering. The broker warrants were valued at $425,534 using the Black-Scholes Option Pricing Model.

The fair value of the broker warrants was estimated using Black-Scholes Option Pricing Model with the following weighted average inputs.

	2014
Share price	$0.79
Exercise price	0.80
Expected term	24 months
Risk-free interest	1.07%
Expected dividends	nil
Volatility	80%

On March 25, 2014, the Company closed a bought deal of 27,600,000 common shares, at a price of $1.00 per common share for aggregate gross proceeds of $27,600,000. In addition, the Company issued to the Underwriters 1,380,000 of non-transferable common share purchase warrants (broker warrants) equal to 5% of the total number of common shares issued pursuant to the Offering. Each broker warrant will entitle the holder thereof to acquire one common share at an exercise price of $1.00 per share for a period of 24 months following closing of the Offering. The broker warrants were valued at $589,674 using the Black-Scholes Option Pricing Model.

The fair value of the broker warrants was estimated using Black-Scholes Option Pricing Model with the following weighted average inputs.

	2014
Share price	$0.99
Exercise price	1.00
Expected term	12 months
Risk-free interest	1.06%
Expected dividends	nil
Volatility	80%

10. 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 at March 31 are:

	2014	2013
Weighted average common shares outstanding – basic	**114,087,254**	59,538,178
Effect of stock options and warrants	**2,761,436**	2,336,438
Weighted average common shares – diluted	**116,848,690**	61,874,616
Net income	**$4,326,813**	$3,166,882
Basic earnings per share	**$0.04**	$0.05
Diluted earnings per share	**$0.04**	$0.05

In calculating diluted earnings per common share for the three months ended March 31, 2014, the Company excluded nil stock options, the convertible debentures and 11,797,500 warrants (2013 – nil stock options and nil warrants respectively), as their impact was anti-dilutive.

11. 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.

Three months ended March 31	2014	2013
Rental / purchase of equipment	**$-**	$114,500
Management and consulting fees	**179,652**	180,500
	$179,652	$295,000

12. Supplemental cash flow information

Three months ended March 31	2014	2013
(a) Changes in non-cash working capital:		
Trade and other receivables	**$(7,111,871)**	$(288,981)
Unbilled revenue	**(559,119)**	(1,513,730)
Inventories	**(296,177)**	70,557
Deposits and prepaid expenses	**1,717,902**	32,190
Trade and other payables	**(232,044)**	1,040,646
	$(6,481,309)	$(659,318)
(b) Other non-cash transactions:		
Equipment purchased under finance leases	**$5,482,009**	$62,321

13. 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.

Three months ended March 31, 2014		**Utilities/ infrastructure construction**	**Equipment rental**	**Corporate**	**March 31, 2014**
Revenues	$	8,477,405 $	12,629,900 $	- $	21,107,305
EBITDAS [1]		2,367,759	5,875,401	(1,196,194)	7,046,966
Depreciation and amortization		459,311	973,180	4,779	1,437,270
Interest and bank charges		281,144	275,927	13,872	570,943
Loss (gain) on sale of property, plant and equipment		204,681	(68,811)	-	135,870
Share-based payments		-	-	244,388	244,388
Income (loss) before taxes	**$**	**1,422,623 $**	**4,695,105 $**	**(1,459,233)$**	**4,658,495**
Total assets	**$**	**37,067,489 $**	**57,593,387 $**	**36,717,298 $**	**131,378,174**

For the three months ended March 31, 2014, the Company generated 38% of revenue from two customers (25% 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 March 31, 2013		**Utilities/ infrastructure construction**	**Equipment rental**	**Corporate**	**March 31, 2013**
Revenues	$	3,849,209 $	5,055,172 $	- $	8,904,381
EBITDAS [1]		1,091,287	3,524,497	(714,484)	3,901,300
Depreciation and amortization		159,656	364,959	13,137	537,752
Interest and bank charges		51,837	109,448	5,694	166,979
Gain on sale of property, plant and equipment		10,838	1,449	-	12,287
Share-based payments		-	-	17,400	17,400
Income (loss) before taxes	$	868,956 $	3,048,641 $	(750,715)$	3,166,882
Total assets	$	9,663,558 $	18,305,450 $	3,216,739 $	31,185,747

For the three months ended March 31, 2013 the Company generated 47% of revenue from three customers (23% from one customer in the utilities/infrastructure construction division and 24% from two customers in the equipment rental division). No other customers comprise more than 10% of revenues.

(1) EBITDAS represents earnings or loss before interest, income taxes, depreciation and amortization, and share-based payments. EBITDAS 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.