Condensed Consolidated Interim Financial Statements of

HORIZON NORTH

Three and nine months ended September 30, 2017 and 2016 (Unaudited)

HORIZON NORTH

Condensed consolidated statement of financial position (Unaudited)

(000's)		September 30, 2017		December 31, 2016
Assets				
Current assets:				
Trade and other receivables	$	80,795	$	56,544
Inventories		6,993		5,259
Prepayments		2,645		3,958
Income taxes receivable		2,642		6,962
Assets held for sale (Note 4)		3,130		-
Total current assets		96,205		72,723
Non-current assets:				
Property, plant and equipment (Note 5)		340,847		382,771
Intangible assets		5,030		7,090
Goodwill		20,545		20,348
Other assets		2,319		2,169
Total non-current assets		368,741		412,378
Total assets	$	464,946	$	485,101
Liabilities and Shareholders' Equity				
Current liabilities:				
Trade and other payables	$	34,091	$	28,535
Deferred revenue		3,471		1,777
Current portion of asset retirement obligation		2,599		1,665
Total current liabilities		40,161		31,977
Non-current liabilities:				
Asset retirement obligations		10,715		11,417
Loans and borrowings (Note 6)		56,714		75,268
Deferred tax liabilities		45,737		42,752
Total liabilities		153,327		161,414
Shareholders' equity:				
Share capital (Note 8)		286,754		286,674
Contributed surplus		15,950		15,465
Accumulated other comprehensive income		768		764
Retained earnings		8,147		20,784
Total shareholders' equity		311,619		323,687
Total liabilities and shareholders' equity	$	464,946	$	485,101

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed consolidated statement of comprehensive income (loss) (Unaudited)
Three and nine months ended September 30, 2017 and 2016

HORIZON NORTH

(000's except per share amounts)	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Revenue	$ 79,283	$ 60,097	$ 241,418	$ 190,515
Operating expenses:				
Direct costs	67,492	47,925	201,547	152,596
Depreciation (Note 5)	9,318	11,650	30,938	36,438
Amortization of intangible assets	687	84	2,060	105
Impairment loss on re-measurement of assets held for sale (Note 4)	3,457	-	3,457	-
Share based compensation (Note 8)	119	93	541	384
(Gain) loss on disposal of property, plant and equipment	211	(60)	(12,148)	605
Direct operating expenses	81,284	59,692	226,395	190,128
Gross profit (loss)	(2,001)	405	15,023	387
Selling & administrative expenses:				
Selling & administrative expenses	5,357	5,046	16,612	13,867
Share based compensation (Note 8)	156	80	272	420
Selling & administrative expenses	5,513	5,126	16,884	14,287
Operating loss	(7,514)	(4,721)	(1,861)	(13,900)
Finance costs	788	595	2,291	1,735
Loss (earnings) from equity investments	(86)	193	105	(204)
Loss before tax	(8,216)	(5,509)	(4,257)	(15,431)
Current tax recovery	(1,706)	(2,383)	(3,284)	(4,786)
Deferred tax expense	(361)	1,737	2,985	2,456
Income tax recovery (Note 7)	(2,067)	(646)	(299)	(2,330)
Total loss	(6,149)	(4,863)	(3,958)	(13,101)
Other comprehensive income:				
Translation of foreign operations	5	3	4	(68)
Other comprehensive income (loss), net of income tax	5	3	4	(68)
Total comprehensive loss	$ (6,144)	$ (4,860)	$ (3,954)	$ (13,169)
Earnings (loss) per share:				
Basic (Note 10)	$ (0.04)	$ (0.04)	$ (0.03)	$ (0.10)
Diluted (Note 10)	$ (0.04)	$ (0.04)	$ (0.03)	$ (0.10)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed consolidated statement of changes in equity (Unaudited)

(000's)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance at December 31, 2015	$ 265,867	$ 14,451	$ 831	$ 52,212	$ 333,361
Total loss	-	-	-	(13,101)	(13,101)
Share based compensation (Note 8)	-	804	-	-	804
Translation of foreign operations	-	-	(68)	-	(68)
Issue of share capital, on acquisition (Note 8)	20,842	-	-	-	20,842
Share issue costs, net of tax (Note 8)	(35)	-	-	-	(35)
Dividends (Note 9)	-	-	-	(8,219)	(8,219)
Balance at September 30, 2016	$ 286,674	$ 15,255	$ 763	$ 30,892	$ 333,584
Total loss	-	-	-	(7,215)	(7,215)
Share based compensation (Note 8)	-	210	-	-	210
Translation of foreign operations	-	-	1	-	1
Dividends (Note 9)	-	-	-	(2,893)	(2,893)
Balance at December 31, 2016	$ 286,674	$ 15,465	$ 764	$ 20,784	$ 323,687
Total loss	-	-	-	(3,958)	(3,958)
Share based compensation (Note 8)	-	503	-	-	503
Share options exercised	80	(18)	-	-	62
Translation of foreign operations	-	-	4	-	4
Dividends (Note 9)	-	-	-	(8,679)	(8,679)
Balance at September 30, 2017	$ 286,754	$ 15,950	$ 768	$ 8,147	$ 311,619

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows (Unaudited)
Nine months ended September 30, 2017 and 2016

(000's)		September 30, 2017		September 30, 2016
Cash provided by (used in):				
Operating activities:				
Loss for the period	$	(3,958)	$	(13,101)
Adjustments for:				
Depreciation (Note 5)		30,938		36,438
Amortization of intangible assets		2,060		105
Share based compensation (Note 8)		813		804
Amortization of other assets		95		100
(Gain) loss on disposal of property, plant and equipment		(21,127)		634
Loss (earnings) on equity investments		105		(204)
Impairment loss on re-measurement of assets held for sale (Note 4)		3,457		-
Unrealized foreign exchange gain (loss)		2		(68)
Finance costs		2,291		1,735
Income tax recovery (Note 7)		(299)		(2,330)
Funds from operations		14,377		24,113
Asset retirement obligation settled		(39)		(1,141)
Income taxes refunded		7,604		1,934
Interest paid		(2,278)		(1,723)
Changes in non-cash working capital items		(17,423)		(689)
Net cash flows from operating activities		2,241		22,494
Investing activities:				
Purchase of property, plant and equipment (Note 5)		(15,191)		(17,860)
Proceeds on sale of property, plant and equipment		40,666		20,325
Business acquisition, net of cash acquired		(197)		(28,507)
Net cash flows from (used in) investing activities		25,278		(26,042)
Financing activities:				
Shares issued		-		(47)
Proceeds from shares issued on exercise of options		62		-
(Repayment of) proceeds from loans and borrowings		(18,904)		14,226
Payment of dividends (Note 9)		(8,677)		(10,631)
Net cash flows (used in) from financing activities		(27,519)		3,548
Change in cash position		-		-
Cash, beginning of period		-		-
Cash, end of period	$	-	$	-

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

1. Reporting Entity

Horizon North Logistics Inc. ("Horizon North" or the "Corporation") is a corporation registered and domiciled in Canada and is a publicly-traded company, listed on the Toronto Stock Exchange under the symbol HNL. The Corporation's registered offices are at 900, 240-4th Avenue SW, Calgary, AB T2P 4H4. The condensed consolidated interim financial statements of the Corporation as at and for the three and nine month period ended September 30, 2017 comprise the Corporation and its subsidiaries and the Corporation's interest in associates and jointly controlled entities. Horizon North provides full service solutions in workforce accommodations and camp management, matting and soil stabilization, remote power and energy generation systems, and relocatable and permanent modular structures. The Corporation provides a full range of these services to clients in the energy, mining, forestry and construction sectors anywhere in Canada.

2. Basis of Presentation

(a) Statement of compliance

These financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB") and using the accounting policies the Corporation adopted in its consolidated financial statements for the year ended December 31, 2016. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements. These financial statements were approved by the board of directors of Horizon North on November 1, 2017.

(b) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed consolidated interim financial statements, unless otherwise stated, the significant judgments, estimates and underlying assumptions made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2016.

3. Significant accounting policies and determination of fair values

The accounting policies and determination of fair values were set out in Note 3 and 4 of the Corporation's annual consolidated financial statements for the year ended December 31, 2016. Unless otherwise stated, these policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

As a result, these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016.

(a) Assets Held for Sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3. Significant accounting policies and determination of fair values (continued)

(b) New standards and interpretations not yet adopted

IFRS 15 Revenue from Contracts with Customers - IFRS 15 Revenue from Contracts with Customers contains a single revenue model that applies to contracts with customers and two approaches to recognize revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. The Corporation has largely completed reviewing its various revenue streams and underlying contracts with customers to identify potential areas where differences with existing revenue accounting may exist. Over the next quarter, the Corporation will continue to evaluate these areas to conclude on differences, identify potential impacts to business processes and will be modeling the impact of the new standard on financial results. As at September 30, 2017, the Corporation had identified potential differences as a result of the requirement to identify distinct performance obligations, including the treatment of mobilization and demobilization activities, activities in modular construction agreements and activities in various types of camps & catering and rental contracts. The Corporation is also considering the appropriate treatment of various variable revenue arrangements in its contracts across segments and the appropriate method to recognize revenue for its contracts, including measurement of progress. The transition method continues to be assessed as the Corporation completes the evaluation process.

4. Assets held for sale

As at September 30, 2017, management was committed to a plan to sell part of the camp facility assets within the Camps & Catering segment. The Corporation has classified these assets as held for sale.

The following table represents the assets held for sale:

(000's)	September 30, 2017	December 31, 2016
Property, plant and equipment		
Camp facility assets, net book value	$ 6,587	$ -
Impairment loss on re-measurement of assets held for sale	(3,457)	-
Camp facility assets, held for sale	$ 3,130	$ -

An impairment loss of $3,457,000 was recorded during the nine months ended September 30, 2017, as a result of measuring the assets held for sale at the lower of cost or fair value less cost to sell.

The Corporation entered into a sales agreement for the camp facility assets and the sale closed in October 2017.

5. Property, plant and equipment

Cost (000's)	Balance December 31, 2016	Additions	Disposals	Reclassification to assets held for sale	Impact of Foreign Translation	Balance September 30, 2017
Camp facilities, setup & installation	$ 456,452	$ 1,522	$ (36,794)	$ (10,096)	$ (8)	$ 411,076
Land & buildings	62,341	1,604	(646)	-	-	63,299
Automotive & trucking equipment	44,255	495	(3,219)	-	-	41,531
Mats	19,954	5,401	(4,708)	-	-	20,647
Furniture, fixtures & other equipment	8,293	(557)	(1,708)	-	-	6,028
Asset retirement obligations	12,692	184	-	-	-	12,876
Assets under construction	1,452	6,726	-	-	-	8,178
	$ 605,439	$ 15,375	$ (47,075)	$ (10,096)	$ (8)	$ 563,635

Accumulated Depreciation (000's)	Balance December 31, 2016	Depreciation	Disposals	Reclassification to assets held for sale	Impact of Foreign Translation	Balance September 30, 2017
Camp facilities, setup & installation	$ 157,197	$ 21,332	$ (19,544)	$ (3,509)	$ (6)	$ 155,470
Land & buildings	12,590	846	(644)	-	-	12,792
Automotive & trucking equipment	29,683	3,330	(2,695)	-	-	30,318
Mats	13,309	3,040	(2,870)	-	-	13,479
Furniture, fixtures & other equipment	4,997	980	(1,550)	-	-	4,427
Asset retirement obligations	4,892	1,410	-	-	-	6,302
Assets under construction	-	-	-	-	-	-
	$ 222,668	$ 30,938	$ (27,303)	$ (3,509)	$ (6)	$ 222,788

Carrying Amounts (000's)	Balance December 31, 2016	Balance September 30, 2017
Camp facilities, setup & installation	$ 299,255	$ 255,606
Land & buildings	49,751	50,507
Automotive & trucking equipment	14,572	11,213
Mats	6,645	7,168
Furniture, fixtures & other equipment	3,296	1,601
Asset retirement obligations	7,800	6,574
Assets under construction	1,452	8,178
	$ 382,771	$ 340,847

5. Property, plant and equipment (continued)

Cost *(000's)*	Balance December 31, 2015	Additions	Disposals	Additions from business combinations	Impact of Foreign Translation	Balance September 30, 2016
Camp facilities, setup & installation	$ 470,307	$ 12,621	$ (54,033)	$ 26,095	$ (7)	$ 454,983
Land & buildings	55,105	6,020	(911)	87	-	60,301
Automotive & trucking equipment	44,684	60	(384)	87	-	44,447
Mats	18,594	451	(1,968)	-	-	17,077
Furniture, fixtures & other equipment	8,063	481	(703)	184	-	8,025
Asset retirement obligations	9,326	4,444	(1,081)	-	-	12,689
Assets under construction	8,482	(1,773)	-	-	-	6,709
	$ 614,561	$ 22,304	$ (59,080)	$ 26,453	$ (7)	$ 604,231

Accumulated Depreciation *(000's)*	Balance December 31, 2015	Depreciation	Disposals	Impact of Foreign Translation	Balance September 30, 2016
Camp facilities, setup & installation	$ 159,758	$ 26,001	$ (29,312)	$ (4)	$ 156,443
Land & buildings	9,961	1,385	(68)	-	11,278
Automotive & trucking equipment	25,264	3,787	(380)	-	28,671
Mats	13,135	2,614	(1,539)	-	14,210
Furniture, fixtures & other equipment	4,890	889	(643)	-	5,136
Asset retirement obligations	2,826	1,762	(429)	-	4,159
Assets under construction	-	-	-	-	-
	$ 215,834	$ 36,438	$ (32,371)	$ (4)	$ 219,897

Carrying Amounts *(000's)*	Balance December 31, 2015	Balance September 30, 2016
Camp facilities, setup & installation	$ 310,549	$ 298,540
Land & buildings	45,144	49,023
Automotive & trucking equipment	19,420	15,776
Mats	5,459	2,867
Furniture, fixtures & other equipment	3,173	2,889
Asset retirement obligations	6,500	8,530
Assets under construction	8,482	6,709
	$ 398,727	$ 384,334

Included in additions at September 30, 2017 are internal asset transfers between asset categories to more appropriately reflect the asset class. During the second quarter of 2017 disposals included the sale of a large camp facility in the Alberta oil sands area where the customer exercised the contractual option to purchase the assets.

During the second quarter of 2016, the Corporation's Blacksand Executive Lodge ("Blacksand") was destroyed by the Northern Alberta wildfires. As at December 31, 2016, the Corporation had recognized insurance proceeds to an amount equal to net book value of the disposed assets. The claim settlement was finalized in the first quarter of 2017 and additional proceeds related to the assets of $12,100,000 were recorded, generating a gain.

6. Loans and borrowings

(000's)	September 30, 2017	December 31, 2016
Committed credit facility	$ 56,714	$ 75,268

On May 3, 2017, the Corporation's committed credit facility ("credit facility") was amended. Management initiated a reduction of the available credit limit from $200,000,000 to $150,000,000 and covenants for the periods ending September 30, 2017 through 2018 were adjusted. The credit facility is secured by a $400,000,000 first fixed and floating charge debenture over all assets of the Corporation and its wholly owned subsidiaries. The interest rate is calculated on a grid pricing structure based on the Corporation's debt to EBITDAS ratio. Debt to EBITDAS is calculated as at the most recently completed calendar quarter and for the 12 months ended on such date. Amounts drawn on the credit facility incur interest at bank prime rate plus 0.50% to 2.25% or the Bankers' Acceptance rate plus 1.50% to 3.25%. The credit facility has a standby fee ranging from 0.34% to 0.73%. Amounts borrowed under the credit facility become due on March 31, 2019, the maturity date of the credit facility. The credit facility is subject to the following financial covenants:

	Covenants September 30, 2017	Debt Covenants
Maximum Consolidated Senior debt (1) to Consolidated EBITDAS ratio (3)(4)	2.04:1.00	4.25:1.00 or less
Maximum Consolidated Total debt (2) to Consolidated EBITDAS ratio (3)(5)	2.04:1.00	4.25:1.00 or less
Minimum Consolidated Interest coverage ratio(6)	9.39:1.00	3.00:1.00 or more

(1) Senior debt is calculated as the sum of current and long-term portions of loans and borrowings less vehicle and equipment financing.
(2) Total debt is calculated as the sum of current and long-term portions of loans and borrowings.
(3) EBITDAS (Earnings before interest, taxes, depreciation, amortization, impairment, gain/loss on disposal of property, plant and equipment, earnings from equity investments, and share based compensation) is not a recognized measure under IFRS. Management believes that in addition to net earnings, EBITDAS is a useful supplemental measure as it provides an indication of the Corporation's ability to generate cash flow in order to fund working capital, service debt, pay current income taxes and fund capital programs, and it is regularly provided to and reviewed by the Chief Operating Decision Maker. Horizon North's method of calculating EBITDAS may differ from other entities and accordingly, EBITDAS may not be comparable to measures used by other entities.
(4) Senior debt to EBITDAS is calculated as the ratio of senior debt to trailing 12 months EBITDAS.
(5) Total debt to EBITDAS is calculated as the ratio of total debt to trailing 12 months EBITDAS.
(6) Interest coverage is calculated as the ratio of trailing 12 months EBITDAS to 12 months trailing interest expense on loans and borrowings.

As at September 30, 2017, the Corporation was in compliance with all financial and non-financial covenants of the committed credit facility. The carrying value of the Corporation's debt approximates its fair value, as the majority of the debt bears interest at variable rates which approximates current market rates.

7. Income taxes

The provision for income taxes differs from that which would be expected by applying statutory rates. A reconciliation of the difference is as follows:

	Three months ended September 30,		Nine months ended September 30,	
(000's)	2017	2016	2017	2016
Loss before tax	$ (8,216)	$ (5,509)	$ (4,257)	$ (15,431)
Combined federal and provincial income tax rate	27.0%	27.0%	27.0%	27.0%
Expected income tax recovery	$ (2,218)	$ (1,487)	$ (1,149)	$ (4,166)
Non-deductible share based compensation	75	124	220	316
Differences in jurisdictional tax rates	(226)	-	(103)	-
Share issuance costs	-	-	10	-
Revisions to prior year tax estimates	(66)	488	(66)	488
Deferred taxes not recognized	80	382	534	544
Rate differential on non-capital loss carryback	353	(38)	211	156
Non-taxable portion of capital gain	(67)	(2)	(73)	(55)
Other	2	(113)	117	387
	$ (2,067)	$ (646)	$ (299)	$ (2,330)

8. Share capital

(a) Authorized

Unlimited number of voting common shares without nominal or par value.
Unlimited number of preferred shares issuable in series.

(b) Issued

	Number		Amount *(000's)*
Balance at September 30, 2016	144,622,006	$	286,674
Balance at December 31, 2016	144,622,006	$	286,674
Share options exercised	53,333		80
Balance at September 30, 2017	144,675,339	$	286,754

(c) Share option plan

The Corporation has a share option plan for its directors, officers, and key employees whereby options may be granted, to a maximum of 10% of the issued and outstanding common shares, subject to certain terms and conditions. Share option vesting privileges are at the discretion of the Board of Directors and are set at three years. The Corporation uses graded vesting for share options over the period in which the option vests. All share options are equity settled with a weighted average remaining contractual life of 3.1 years and all options granted have a maximum term of 5 years.

	Nine months ended September 30, 2017			Year ended December 31, 2016		
	Outstanding options		Weighted average exercise price	Outstanding options		Weighted average exercise price
Balance, beginning of period	8,385,737	$	4.15	7,353,154	$	4.84
Granted	2,633,000		1.46	1,800,000		1.27
Forfeited	(907,739)		3.75	(767,417)		3.99
Expired	(1,580,405)		6.27	-		-
Exercised	(53,333)		1.16	-		-
Balance, end of period	8,477,260	$	2.98	8,385,737	$	4.15

8. Share capital (continued)

(c) Share option plan (continued)

	Nine months ended September 30, 2017		Year ended December 31, 2016	
	Exercisable options	Weighted average exercise price	Exercisable options	Weighted average exercise price
Balance, beginning of period	4,168,595	$ 5.71	2,709,455	$ 6.59
Vested	1,925,285	3.33	1,817,870	4.35
Forfeited	(365,742)	5.65	(358,730)	5.40
Expired	(1,580,405)	6.27	-	-
Exercised	(53,333)	1.16	-	-
Balance, end of period	4,094,400	$ 4.44	4,168,595	$ 5.71

The exercise prices for options outstanding at September 30, 2017 are as follows:

	Total options outstanding			Exercisable options	
Exercise price per share	Number	Weighted average exercise price per share	Weighted average remaining contractual life in years	Number	Weighted average exercise price per share
$1.16 to $1.37	1,264,500	$ 1.17	3.5	388,331	$ 1.16
$1.38 to $1.61	2,328,500	1.47	4.6	-	-
$1.62 to $2.65	2,901,500	2.24	2.6	1,774,311	2.28
$2.66 to $7.25	497,000	5.12	1.6	445,998	5.24
$7.26 to $9.01	1,485,760	7.64	1.7	1,485,760	7.64
	8,477,260	$ 2.98	3.1	4,094,400	$ 4.44

The Corporation calculated the fair value of the share options granted using the Black-Scholes pricing model to estimate the fair value of the share options issued at the date of grant. The weighted average fair market value of all options granted during the nine months ended September 30, 2017 and the assumptions used in their determination are as follows:

	September 30, 2017	December 31, 2016
Weighted average fair value per option	$ 0.47	$ 0.37
Weighted average forfeiture rate	8.51%	8.05%
Weighted average grant price	$ 1.46	$ 1.27
Weighted average expected life	3.0 years	3.0 years
Weighted average risk free interest rate	0.81%	0.58%
Weighted average dividend yield rate	5.47%	6.60%
Weighted average volatility	64.69%	61.89%

Expected volatility is estimated by considering historic weighted average share price volatility. For the three and nine months ended September 30, 2017, share based compensation for stock options included in net earnings amounted to $202,000 and $503,000 respectively (September 30, 2016 - $173,000 and $804,000).

(d) Restricted share unit plan

The Corporation has a Restricted Share Unit ("RSU") plan for its directors, officers and key employees whereby RSUs may be granted, subject to certain terms and conditions. Under the terms of the RSU plan, the awarded units will vest in three equal portions on the first, second and third anniversary from the grant date, and will be settled in cash in the amount equal to the fair market value of the Corporation's stock price on that date.

8. Share capital (continued)

(d) Restricted Share Unit Plan (continued)

The following table summarizes the RSUs outstanding:

	Number
Units outstanding at December 31, 2016	1,050,600
Granted	1,225,735
Forfeited	(145,734)
Exercised	(312,728)
Units outstanding at September 30, 2017	1,817,873

The following table summarizes the RSUs fair value per unit at the time of issuance and as at September 30, 2017:

	Units Issued	Fair Value at Grant Date ($ per unit)	Fair Value at September 30, 2017 ($ per unit)
Openning, Issued in 2016	1,118,400		1.39
Issued on January 16, 2017	12,000	2.05	1.39
Issued on February 21, 2017	12,000	1.95	1.39
Issued on April 10, 2017	12,000	1.76	1.39
Issued on May 15, 2017	756,500	1.47	1.39
Issued on June 1, 2017	381,235	1.44	1.39
Issued on June 19, 2017	32,000	1.31	1.39
Issued on September 11, 2017	20,000	1.27	1.39

As at September 30, 2017, $511,000 (September 30, 2016 – $365,000) was included in accounts payable and accrued liabilities for outstanding RSUs. For the three and nine months ended September 30, 2017, $73,000 and $310,000 respectively (September 30, 2016 – $287,000 and $365,000) of expenses were recognized in the consolidated statement of comprehensive loss, with a weighted average remaining term of 1.4 years.

9. Dividends

For the three and nine months ended September 30, 2017, the Corporation paid dividends totaling $2,893,000 and $8,677,000 respectively (September 30, 2016 – $2,676,000 and $10,631,000).

(000's except per share amounts)	**2017**		**2016**	
Record Date	Amount per share	Total dividend amount	Amount per share	Total dividend amount
March 31	$ 0.02	$ 2,892	$ 0.02	$ 2,652
June 30	0.02	2,893	0.02	2,676
September 30	0.02	2,894	0.02	2,892
December 31	-	-	0.02	2,892
	$ 0.06	$ 8,679	$ 0.08	$ 11,112

On November 1, 2017, the Corporation's Board of Directors declared a dividend for the fourth quarter of 2017 at $0.02 per common voting share. The dividend is payable to shareholders of record at the close of business on December 29, 2017 to be paid on January 15, 2018.

10. Earnings (loss) per share

The calculation of basic earnings per share for the three and nine months ended September 30, 2017 was based on the total loss attributable to common shareholders of $6,149,000 and $3,958,000 respectively (September 30, 2016 – $4,863,000 and $13,101,000).

A summary of the common shares used in calculating earnings per share is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Number of common shares, beginning of period	144,647,006	133,788,673	144,622,006	132,606,651
Weighted average effect of common shares issued	13,571	4,592,391	2,772	2,068,273
Weighted average common shares outstanding – basic	144,660,577	138,381,064	144,624,778	134,674,924
Effect of share purchase options[(1)]	-	-	-	-
Weighted average common shares outstanding – diluted	144,660,577	138,381,064	144,624,778	134,674,924

(1) The Corporation utilizes the treasury stock method for calculating the dilutive effect of share purchase options when the average market price of the Corporation's common share during the period exceeds the exercise price of the option.

For the three and nine months ended September 30, 2017, 7,395,161 and 7,638,003 share purchase options, respectively (September 30, 2016 – 8,520,737 and 8,520,737) were excluded from the calculation of weighted average common shares outstanding - diluted as the result would be anti-dilutive.

11. Operating segments

Effective January 1, 2017, the Corporation re-aligned its operating segments to reflect how the Chief Operating Decision Maker monitors and allocates resources to the operations. Previously, the segments were disclosed as Camps & Catering and Rentals & Logistics. The re-alignment of the operating segments transferred the modular solutions assets into the new Modular Solutions operating segment. The Corporation continues to operate in Canada and the United States through its re-aligned operating segments: Camps & Catering, Rentals & Logistics and Modular Solutions.

The Camps & Catering segment combines the camps and catering operations, and the associated services. The Rentals & Logistics segment combines all other rental operations; mat rental operations, relocatable structures rental operations, transportation operations and the associated services. The Modular Solutions segment is comprised of all modular manufacturing and installation operations for commercial and residential end markets. Corporate includes the costs of head office administration, interest costs, taxes, other corporate costs and residual assets and liabilities.

The prior period comparative figures have been reclassified to conform to the new operating segments. The changes to the operating segments had an impact on the segment information reported but did not change any of the aggregate financial information reported.

11. Operating segments (continued)

Information regarding the results of all segments is included below. Inter-segment pricing is determined on an arm's length basis.

Three months ended September 30, 2017 (000's)	Camps & Catering	Rentals & Logistics	Modular Solutions	Corporate	Inter-segment Eliminations	Total
Revenue	$ 54,352	$ 13,083	$ 11,885	$ -	$ (37)	$ 79,283
EBITDAS[(1)]	8,611	3,648	(2,122)	(3,703)	-	6,434
Depreciation and amortization	6,933	2,392	524	157	(1)	10,005
Impairment loss	3,457	-	-	-	-	3,457
Gain on disposal of assets	36	28	-	147	-	211
Share based compensation	63	2	54	156	-	275
Operating earnings (loss)	(1,878)	1,226	(2,700)	(4,163)	1	(7,514)
Total assets	349,351	62,085	49,077	4,433	-	464,946
Capital expenditures	4,291	485	317	209	-	5,302

Three months ended September 30, 2016 (000's)	Camps & Catering	Rentals & Logistics	Modular Solutions	Corporate	Inter-segment Eliminations	Total
Revenue	$ 48,592	$ 9,318	$ 2,187	$ -	$ -	$ 60,097
EBITDAS[(1)]	10,460	2,162	(2,102)	(3,394)	-	7,126
Depreciation and amortization	8,902	2,082	529	231	(10)	11,734
Loss (gain) on disposal of assets	(31)	(6)	(23)	-	-	(60)
Share based compensation	54	22	17	80	-	173
Operating earnings (loss)	1,535	64	(2,625)	(3,705)	10	(4,721)
Total assets	391,466	61,342	27,105	8,622	-	488,535
Capital expenditures	4,039	57	539	103	-	4,738

Nine months ended September 30, 2017 (000's)	Camps & Catering	Rentals & Logistics	Modular Solutions	Corporate	Inter-segment Eliminations	Total
Revenue	$ 172,665	$ 40,689	$ 28,117	$ -	$ (53)	$ 241,418
EBITDAS[(1)]	34,675	9,360	(11,169)	(9,607)	-	23,259
Depreciation and amortization	23,434	7,521	1,505	540	(2)	32,998
Impairment loss	3,457	-	-	-	-	3,457
Gain on disposal of assets	(12,017)	(222)	(4)	147	(52)	(12,148)
Share based compensation	156	4	90	563	-	813
Operating earnings (loss)	19,645	2,057	(12,760)	(10,857)	54	(1,861)
Total assets	349,351	62,085	49,077	4,433	-	464,946
Capital expenditures	9,856	4,189	699	447	-	15,191

Nine months ended September 30, 2016 (000's)	Camps & Catering	Rentals & Logistics	Modular Solutions	Corporate	Inter-segment Eliminations	Total
Revenue	$ 161,813	$ 26,126	$ 2,576	$ -	$ -	$ 190,515
EBITDAS[(1)]	29,010	6,130	(2,170)	(8,918)	-	24,052
Depreciation and amortization	26,553	7,994	1,371	696	(71)	36,543
Loss (gain) on disposal of assets	882	(199)	(15)	(19)	(44)	605
Share based compensation	214	95	74	421	-	804
Operating earnings (loss)	1,361	(1,760)	(3,600)	(10,016)	115	(13,900)
Total assets	391,466	61,342	27,105	8,622	-	488,535
Capital expenditures	14,307	2,281	1,008	264	-	17,860

(1) EBITDAS (Earnings before interest, taxes, depreciation, amortization, impairment, gain/loss on disposal of property, plant and equipment, earnings from equity investments, and share based compensation) is not a recognized measure under IFRS. Management believes that in addition to net earnings, EBITDAS is a useful supplemental measure as it provides an indication of the Corporation's ability to generate cash flow in order to fund working capital, service debt, pay current income taxes and fund capital programs, and it is regularly provided to and reviewed by the Chief Operating Decision Maker. Horizon North's method of calculating EBITDAS may differ from other entities and accordingly, EBITDAS may not be comparable to measures used by other entities.

12. Seasonality

Each of Horizon North's businesses are affected by the seasonality associated with western Canadian oil and natural gas drilling industry. The Camps & Catering segment is exposed to seasonality where the busiest months are January through March and the slowest months are April through September. The Rentals & Logistics segment is typically busiest in the spring and summer months of April through September when soft ground conditions hinder the movement of heavy equipment. Modular Solutions segment is not impacted by seasonality.