This Management's Discussion and Analysis ("MD&A"), prepared as at May 2, 2012, focuses on key statistics from the Condensed Consolidated Interim Financial Statements and pertains to known risks and uncertainties relating to the business carried on by Horizon North Logistics Inc. (the "Corporation" or "Horizon"). This discussion should not be considered all-inclusive, as it does not attempt to include changes that may occur in general economic, political and environmental conditions.

First Quarter Highlights

- Record quarterly consolidated Revenues, EBITDAS and Earnings per share; and a significant increase in each as compared to Q1 2011;
- Camps & Catering segment revenues increased by 30% as compared to Q1 2011 driven mainly by expanded camp rental and catering operations;
- Continued investment and focus on the Alberta oil sands region with 64% of first quarter revenues generated from oil sands related projects and customers; and
- Continued capital investment, exiting the quarter with 6,461 rentable beds and 13,132 rental mats.

First Quarter Financial Summary

	Three months ended March 31		
(000's except per share amounts)	2012	2011	% Change
Revenue	$ 128,597	$ 103,159	25%
EBITDAS[(1)]	34,445	22,805	51%
EBITDAS as a % of revenue	27%	22%	
Operating earnings	26,080	15,541	68%
Total comprehensive income	$ 18,792	$ 10,912	72%
Earnings per share – basic	$ 0.18	$ 0.10	80%
– diluted	$ 0.17	$ 0.10	70%
Total assets	$ 390,866	$ 308,741	27%
Long-term loans and borrowings	68,700	33,831	103%
Funds from operations[(2)]	27,423	17,167	60%
Capital spending	34,177	25,824	32%
Debt to total capitalization ratio[(3)]	0.23:1	0.21:1	

(1) EBITDAS (Earnings before interest, taxes, depreciation, amortization, impairment, gain/loss on equity investments, gain/loss on disposal of property, plant and equipment, and share based compensation) is not a recognized measure under IFRS. Management believes that in addition to total profit and total comprehensive income, 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 and operating earnings provides an indication of the results generated by the Corporation's principal business activities prior to consideration of how those activities are financed or taxed. Horizon's method of calculating EBITDAS may differ from other entities and accordingly, may not be comparable to measures used by other entities. EBITDAS should not be construed as alternatives to total profit and comprehensive income determined in accordance with IFRS as an indicator of the Corporation's performance.

(2) Funds from operations is not a recognized measure under IFRS. Management believes that in addition to cash flow from operations, funds from operations is a useful supplemental measure as it provides an indication of the cash flow generated by the Corporation's principal business activities prior to consideration of changes in working capital. Investors should be cautioned, however, that funds from operations should not be construed as an alternative to cash flow from operations determined in accordance with IFRS as an indicator of the Corporation's performance. Horizon's method of calculating funds from operations may differ from other entities and accordingly, funds from operations may not be comparable to measures used by other entities. Funds from operations is equal to cash flow from operations before changes in non-cash working capital items related to operations, interest and income taxes paid, financing costs, and income tax expense.

(3) Debt to total capitalization is calculated as the ratio of debt to total capitalization. Debt is defined as the sum of current and long-term portions of loans and borrowings. Total capitalization is calculated as the sum of debt and shareholders' equity.

Overview and Outlook

Horizon reported record revenues and EBITDAS in the three months ended March 31, 2012. Oil sands development activities continue to be the main driver of Horizon's business, with 64% of first quarter revenues driven from these activities.

Capital spending in 2011 was focused on camp and catering fleet expansion in the Fort McMurray Alberta oil sands area, and 2012 first quarter results show the effect of this equipment being deployed and utilized combined with continued investment in 2012. Horizon's manufacturing facilities were highly utilized during the quarter, with continued execution of several large, oil sands based sales projects and investment in the camp and catering rental fleet.

Horizon's matting division continues to see strong demand, both for mat sales and rental matting and the ancillary services that support both sales and rental operations. Warmer weather and soft ground conditions and an early spring break up drove improved mat rental utilization during the quarter.

Capital Program

Horizon's capital budget for 2012 has been increased to $120 million, with approximately $15 million allocated to maintenance capital. Of the $105 million of expansion capital, $85 million has been committed to projects expected to add 1,800 beds to the camp and catering rental fleet, primarily in the Alberta oil sands region through the latter half of the year. It is anticipated that the remaining $20 million will be allocated to new projects generated from continued, strong bidding activity.

Dividend Payment

Horizon North Logistic Inc. announced today that its Board of Directors has declared a dividend for the second quarter of 2012 at $0.05 per share. The dividend is payable to shareholders of record at the close of business on June 30, 2012 to be paid on July 13, 2012. The dividends are eligible dividends for Canadian tax purposes.

Liquidity and Capital Resources

Strong and increasing activity levels through 2011 and 2012 should allow Horizon to fund its capital program primarily through operating cash flows and expanded credit facilities. During the quarter, Horizon increased its credit facilities to $120 million from $80 million.

First Quarter Financial Results

(000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
	Three months ended March 31, 2012					
Revenue	$ 112,186	$ 18,338	$ 741	$ -	$ (2,668)	$ 128,597
Expenses						
Direct costs	78,160	13,855	394	1	(2,400)	90,010
Selling & administrative	1,013	111	-	3,018	-	4,142
EBITDAS	33,013	4,372	347	(3,019)	(268)	34,445
EBITDAS as a % of revenue	29%	24%	47%	-	-	27%
Share based payments	33	11	1	45	-	90
Depreciation & amortization	6,321	1,757	111	114	(23)	8,280
Impairment loss	-	-	-	-	-	-
Loss on disposal of property, plant and equipment	(5)	-	-	-	-	(5)
Operating earnings (loss)	$ 26,664	$ 2,604	$ 235	$ (3,178)	$ (245)	$ 26,080
Finance costs						694
Gain on equity investments						(46)
Income tax expense						6,571
Other comprehensive loss						69
Total comprehensive income						$ 18,792
Earnings per share – basic						$ 0.18
– diluted						$ 0.17

(000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
	Three months ended March 31, 2011					
Revenue	$ 86,123	$ 17,841	$ 832	$ -	$ (1,637)	$ 103,159
Expenses						
Direct costs	64,718	13,468	459	-	(1,584)	77,061
Selling & administrative	874	99	-	2,320	-	3,293
EBITDAS	20,531	4,274	373	(2,320)	(53)	22,805
EBITDAS as a % of revenue	24%	24%	45%	-	-	22%
Share based payments	84	10	1	61	-	156
Depreciation & amortization	5,411	1,310	107	84	(16)	6,896
Loss on disposal of property, plant and equipment	84	128	-	-	-	212
Operating earnings (loss)	$ 14,952	$ 2,826	$ 265	$ (2,465)	$ (37)	$ 15,541
Finance costs						613
Loss on equity investments						21
Income tax expense						3,995
Total comprehensive income						$ 10,912
Earnings per share – basic & diluted						$ 0.10

Camps & Catering

Effective January 1, 2012 presentation and grouping of Camps & Catering revenues has been realigned to better represent the businesses within the Camp & Catering segment; 2011 comparatives have been similarly revised to ensure meaningful comparatives.

- Camp and catering operations revenue includes the following components: camp rental, catering and housekeeping, ancillary equipment rental and service; the service component includes transportation, set-up and de-mobilization related to these operations.
- Manufacturing sales and service revenue includes the following components: sales of newly manufactured camps and equipment and service; the service component includes transportation and installation related to these operations.
- Space rental and service revenue includes the following components: rental revenue, used equipment sales and service; the service component includes the transportation, set-up and de-mobilization related to these operations.

	Three months ended March 31		
(000's except bed rental days and catering only days)	2012	2011	% change
Camp and catering operations revenue	$ 75,002	$ 46,482	61%
Manufacturing sales and service revenue	33,315	37,950	(12%)
Space rental and service revenues	3,869	1,691	129%
Total revenue	$ 112,186	$ 86,123	30%
EBITDAS	$ 33,013	$ 20,531	61%
Operating earnings	$ 26,664	$ 14,952	78%
Bed rental days[(1)]	337,174	209,555	40%
Catering only days[(2)]	72,519	58,945	23%

(1) One bed rental day equals the rental of one bed and the provision of related catering and housekeeping services for one day.

(2) One catering only day equals the provision of catering and housekeeping services with no related bed rental for one day.

Revenues from the Camps & Catering segment were $112.2 million for the three months ended March 31, 2012 compared to $86.1 million for the three months ended March 31, 2011, an increase of $26.1 million or 30%. EBITDAS for the three months ended March 31, 2012 were $33.0 million or 29% of revenue compared to $20.5 million or 24% of revenue for the three months ended March 31, 2011, an increase of $12.5 million or 61%.

The three months ended March 31, 2012 saw record revenue and EBIDTAS for the Camps & Catering segment. The strong performance was due to significant portions of Horizon's operations being focused on oil sands activity, which continues to grow at a robust pace. For the three months ended March 31, 2012, 64% of the Camps & Catering segment's revenues were derived from oil sands related activity as compared to 57% in the same period of 2011. Much of the revenue growth was a result of Horizon executing it's 2011 capital expansion plan, with the Camp & Catering equipment constructed in 2011 on the ground and operating throughout the three months ended March 31, 2012. Horizon exited the first quarter of 2012 with 6,461 rentable beds as compared to 4,938 for the same period of 2011. Despite the early spring break up, revenue remained very strong indicating a low degree of seasonality in Horizon's businesses.

Camp and catering operations revenue

Revenues are derived from the following main business areas: large camp operations, drill camp operations, catering only operations, and the associated service work with each operation. Service work includes the transportation, setup and de-mobilization of the camp and catering operations. Revenues from camp and catering operations were $75.0 million for the three months ended March 31, 2012 compared to $46.5 million for the three months ended March 31, 2011, an increase of $28.5 million or 61%.

The table below outlines the key performance metrics used by management to measure performance in the large camp and drill camp operations.

(000's for revenue only)	Three months ended March 31 2012			2011		
	Large camp	Drill camp	Total	Large camp	Drill camp	Total
Revenue	$52,780	$8,155	$60,935	$33,288	$3,192	$36,480
Bed rental days	293,738	43,436	337,174	190,295	19,260	209,555
Revenue per bed rental day	$180	$188	$181	$175	$166	$174
Number of rentable beds at period end	4,761	950	5,711	3,188	1,000	4,188
Average rentable beds available(1)	4,643	950	5,593	3,035	1,018	4,053
Utilization(2)	70%	50%	66%	70%	21%	57%

(1) Average rentable beds available beds is equal to total average beds in the fleet over the period less beds required for staff.

(2) Utilization equals the total number of bed rental days divided by average rentable beds available times days in the quarter.

Revenues from large camp operations for the three months ended March 31, 2012 increased by $19.5 million or 59% as compared to the same period in 2011. The growth of revenues from large camps over the comparative period was a result of the continued strong industry conditions and high activity levels in the oil sands and oil and gas sectors which drove both high volumes and stronger revenue per bed rental day. The higher demand from oil sands operators is reflected in 293,738 bed rental days for the quarter ended March 31, 2012 as compared to 190,295 in the same period in 2011, an increase of 84,183 or 40%. Rentable beds at the end of the three months ended March 31, 2012 were 4,761 as compared to 3,188 for the same period in 2011, reflecting the ongoing investment in the rental fleet. The higher demand and current strong market conditions helped revenue per bed rental day increase by $5.

Revenues from drill camp operations for the three months ended March 31, 2012 increased by $5.0 million or 155% as compared to the same period of 2011. The Canadian Association of Oilwell Drilling Contractors (CAODC) reported rig utilization unchanged in the comparative periods at 68%, however in the three months ended March 31, 2012 more rigs required camps due to their remote locations. In addition to the higher volumes, revenue per bed rental day increased by $22 per day. The increase in rate is due to strong current market conditions and additional equipment and services requested by the customer once the camp is operational.

The table below outlines the key performance metrics used by management to measure performance in the catering only operations.

(000's for revenue only)	Three months ended March 31 2012	2011
Catering only revenue	$ 7,543	$ 5,783
Catering only days(1)	72,519	58,945
Revenue per catering only day	$104	$98

(1) One catering only day equals the provision of catering and housekeeping services with no related bed rental for one day.

Revenues from the provision of catering and housekeeping only services, with no associated bed rentals, increased by $1.8 million compared to the same period in 2011. The increase was mainly a result of higher volumes with 72,519 catering only days, an increase of 13,574 days above the same period of 2011. The increased volume was driven by higher activity levels in catering only for customer owned drill camps.

The table below outlines the service revenue generated from the camp and catering operation.

	Three months ended March 31	
(000's)	2012	2011
Camp and catering operations service related revenue	$ 6,524	$ 4,219

Revenues from camp and catering operations services are revenues related to the transportation, setup and de-mobilization of camps. Revenue increased $2.3 million as compared to the same period of 2011 primarily due to the early spring break up this year. Service crews were busy de-mobilizing camps and putting camps in standby mode earlier than anticipated.

Manufacturing sales and service revenue

Manufacturing sales and service revenue includes new manufacturing operations and the transportation and installation associated with new manufacturing. Revenues for the three months ended March 31, 2012 were $33.3 million as compared to $38.0 million for the same period in 2011, a decrease of $4.7 million or 12%. The decrease was a result of production in the three months ended March 31, 2012 being more focused on filling internal fleet demand. The allocation of production capacity is reviewed by management on an ongoing basis. The service activity, which includes the transportation and installation components of the sale, remained relatively consistent, focused primarily on two significant oil sands related camp projects.

Space rental and service revenue

Space rental and service revenue for the three months ended March 31, 2012 was $3.9 million as compared to $1.7 million for the same period in 2011, an increase of $2.2 million or 129%. The increase came from used equipment sales with one significant sale in the three months ended March 31, 2012 as compared to the same period of 2011. The rental fleet performance was consistent in the comparative periods with utilization at 88% and rental rates essentially unchanged.

Direct costs

Direct costs for the three months ended March 31, 2012 were $78.2 million or 70% of revenue as compared to $64.7 million or 75% of revenue for the same period of 2011. Direct costs are closely related to business volumes. The increase in overall direct costs was primarily a result of the higher activity levels in the comparative periods. As a percentage of revenue, direct costs declined by 5% compared to the same period of 2011. The 5% decrease was attributable to relatively stable fixed costs over a larger revenue base and to stronger pricing, a result of strong market conditions in the oil sands and the oil and gas sectors.

Matting

Matting revenue is comprised of matting and equipment rental revenue, mat sales revenue, installation, transportation, service, and other revenue as follows:

	Three months ended March 31		
(000's except mat rental days and numbers of mats)	2012	2011	% change
Access mat rental revenue[(1)]	$ 2,138	$ 609	252%
Other mat and rental equipment revenue[(2)]	671	624	8%
Total mat and equipment rental revenue	$ 2,809	$ 1,233	128%
Mat sales revenue	6,569	10,588	(38%)
Installation, transportation, service, and other revenue	8,960	6,020	49%
Total revenue	$ 18,338	$ 17,841	3%
EBITDAS	$ 4,372	$ 4,274	2%
Operating earnings	$ 2,604	$ 2,826	(8%)
Access mat rental days[(3)]	744,344	250,587	197%
Average access mats in rental fleet	10,967	7,232	51%
Access mats in rental fleet at quarter end	13,132	6,973	88%
Mats sold:			
New mats	7,407	12,385	(40%)
Used Mats	1,899	2,382	(20%)
Total mats sold	9,306	14,767	(37%)

(1) Access mat rental revenue includes revenues generated from the rental of traditional oak and oak edged mats.
(2) Other mat rental equipment revenue includes the rental of rig mats, quad mats, other ancillary equipment such as well site accommodation units, and light towers.
(3) One mat rental day equals the rental of one access mat for one day.

Revenues from the Matting segment for the three months ended March 31, 2012 were $18.3 million as compared to $17.8 million for the same period of 2011, an increase of $0.5 million or 3%. EBITDAS for the three months ended March 31, 2011 were $4.4 million or 24% of revenue as compared to $4.3 million or 24% of revenue for the same period of 2011, an increase of $0.1 million or 2%.

Mat and equipment rental revenue

Total mat and equipment rental revenues for the three months ended March 31, 2012 were $2.8 million as compared to $1.2 million for the same period of 2011, an increase of $1.6 million or 128%. The higher access mat rental revenue was primarily driven by the increased volume of mat rental days and higher revenues per mat rental day. In the three months ended March 31, 2012 continued warm weather in the Fort McMurray, Alberta area caused operators to rent additional mats in order to continue operating in the soft ground conditions resulting in significantly increased mat rental days. The increased volume drove utilization to 75% in the three months ended March 31, 2012 as compared to 38% in the same period in 2011. Stronger market conditions also helped boost access mat rental rates with revenue per rental day of $2.87 in the three months ended March 31, 2011 as compared to $2.43 in the same period 2011. Horizon exited the first quarter of 2012 with 13,132 access mats in the rental fleet as compared to 6,973 at the end of the first quarter of 2011.

Mat sales revenue

Revenues from mat sales for the three months ended March 31, 2012 decreased by $4.0 million or 38% as compared to the same period of 2011. The first quarter of 2011 had several large mat orders which did not occur in the first quarter of 2012. Revenue per mat sold for three months ended March 31, 2012 was $706, down from $717 in the same period of 2011 which is a result of the mix of mats sold. The decrease is a result of the mix of mats sold with fewer new mats and more used mats sold in the three months ended March 31, 2012 as compared to the same period of 2011. New mat sales have a higher selling price than used mats.

Installation, transportation, service, and other revenue

Installation, transportation, service, and other revenues are driven primarily from the level of activity in the mat rental and mat sale businesses and are charged for separately from rentals and sales. Revenues for the three months ended March 31, 2012 were higher by $2.9 million or 49% as compared to the same period in 2011. The increase is mainly due to the higher volume of rentals throughout the quarter.

Direct costs

Direct costs for the three months ended March 31, 2012 were $13.9 million or 76% of revenue as compared to $13.5 million or 75% of revenue for the same period of 2011. Direct costs are driven by the level of business activity, with the revenue unchanged in the comparative quarters direct costs have remained essentially the same. Direct costs as a percentage of revenue increased by 1% for the three months ended March 31, 2012 as compared the same period of 2011.

Marine Services

Marine Services revenue is comprised of barge camp revenue and rental and other revenue as follows:

	Three months ended March 31		
(000's)	2012	2011	% change
Barge camp revenue	$ 727	$ 680	7%
Rental and other revenue	14	152	(91%)
Total revenue	$ 741	$ 832	(11%)
EBITDAS	$ 347	$ 373	(7%)
Operating earnings	$ 235	$ 265	(11%)

Revenues from the Marine Services segment for the three months ended March 31, 2012 were $0.7 million as compared to $0.8 million in the same period of 2011, a decrease of $0.1 million or 12%. The decrease was primarily due to lower levels of activity in the three months ended March 31, 2012 as compared to the same period of 2011.

EBITDAS for the three months ended March 31, 2011 was $0.3 million or 48% of revenue as compared to $0.4 million or 45% of revenue for the same period of 2011. The decrease in EBITDAS was due to the overall lower activity.

Corporate

Corporate costs are the costs of the head office which include the President and Chief Executive Officer, Chief Financial Officer, Vice President of Health, Safety, and Environment, Vice President of Aboriginal Relations, Corporate Secretary, corporate accounting staff, and associated costs of supporting a public company. Corporate costs for the three months ended March 31, 2012 were $3.0 million as compared to $2.3 million in the same period in 2011. This increase of $0.7 million includes the increased cost to support the higher level of business activity and costs associated with increasing and extending the Corporation's credit agreement. Corporate costs as a percentage of total revenue were 2.3% for the three months ended March 31, 2012 compared to 2.2% in same period of 2011.

Other Items

Depreciation and amortization

Depreciation and amortization costs for the three months ended March 31, 2012 were $8.3 million as compared to $6.9 million in the same period of 2011. The increase was mainly from depreciation which increased from $4.8 million to $6.2 million or 29% as a result of net capital additions of $101.8 million in depreciable assets during 2011. Amortization of intangibles remained relatively unchanged in the comparative periods at $2.0 million.

Financing costs

Financing costs on loans and borrowings for the three months ended March 31, 2012 were $0.7 million as compared to $0.6 million in the same period of 2011. The increase of $0.1 million was a result of a higher weighted average debt held. For the three months ended March 31, 2012 the weighted average debt was $60.2 million compared to $41.4 million in the same period of 2011.

Income taxes

Income tax expense was $6.6 million, an effective tax rate of 25.8%, for the three months ended March 31, 2012 as compared to a tax expense of $4.0 million, an effective rate of 26.8% for the same period of 2011. The effective tax rate decreased due to a 1.0% decrease in federal tax rates from 2012 to 2011 as well as the change in estimated timing of realization of temporary differences.

Selling and administrative

Selling and administrative expense was $6.2 million for the three months ended March 31, 2012 as compared to $5.4 million in the same period of 2011. The increase is reflective of the higher levels of business activity in 2012 as compared to 2011. However, as a percentage of revenue selling and administrative expense declined to 4.8% of revenue in 2012 as compared to 5.2% in 2011.

Liquidity and Capital Resources

The Corporation's working capital position and borrowing capacity are set out below:

(000's)		March 31, 2012		December 31, 2011
Current assets	$	112,459	$	102,799
Current liabilities excluding loans and borrowings[1]		62,107		59,814
Current portion of loans and borrowings		1,213		1,281
Current liabilities		63,320		61,095
Working capital[2]	$	49,139	$	41,704
Bank borrowing				
Committed credit facility	$	62,961	$	49,524
Total bank borrowings		62,961		49,524
Available bank lines		120,000		80,000
Borrowing capacity[3]	$	57,039	$	30,476

(1) Calculated as the sum of trade and other payables, income taxes payable, and deferred revenue.
(2) Calculated as current assets less current liabilities.
(3) Calculated as available bank lines less total bank borrowing.

Working capital at March 31, 2012 was $49.1 million, $7.4 million higher than December 31, 2011. The increase is primarily due to the increasing activity levels through the end of 2011 and into 2012.

On March 22, 2012, the Corporation increased its existing committed credit facility from $80.0 to $120.0 million. The committed credit facility was also renewed for a term of 3 years, extendable annually at the Corporations request. In addition, a $35 million accordion feature is available upon request by the Corporation, subject to review and approval by the lenders. The committed credit facility is secured by a $150 million first fixed and floating charge debenture over all assets of the Corporation and its wholly owned subsidiaries. Interest is payable at the bank prime rate plus 0.75%. Amounts borrowed under the facility become due on March 22, 2015, the renewal date of the facility.

At March 31, 2012 the Corporation was in compliance with its debt covenants as shown below:

Debt Covenants	March 31, 2012
Debt [1] to EBITDAS [2][3] – must be less than 2.0:1	0.61:1
Interest coverage[4] – must be greater than 3.0:1	61.8:1

(1) Debt is calculated as the sum of current and long-term portions of loans and borrowings.
(2) EBITDAS (Earnings before interest, taxes, depreciation, amortization, impairment, gain/loss on equity investments, gain/loss on disposal of property, plant and equipment, 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's method of calculating EBITDAS and operating earnings (loss) may differ from other entities and accordingly, EBITDAS may not be comparable to measures used by other entities. For a reconciliation of EBITDAS and operating earnings to net earnings, please refer to page 3 of the Management's Discussion and Analysis.
(3) Debt to EBITDAS is calculated as the ratio of debt to trailing 12 months EBITDAS.
(4) Interest coverage is calculated as the ratio of trailing 12 months EBITDAS to 12 months trailing interest expense on loans and borrowings.

Capital Spending

During the quarter ended March 31, 2012, the Corporation spent $34.2 million on capital asset additions as compared to $25.8 million in the same period of 2011. Capital spending was concentrated on rental fleet expansion and replacement to meet demand in the Camps & Catering segment. Management evaluates and manages its capital spending plans taking into account proceeds from disposals, resulting in net capital spending for the quarter ended March 31, 2012, of $32.7 million.

Quarterly Summary of Results

(000's except per share amounts)	Three months ended March 2012	Year to date March 2012
Revenue	$ 128,597	$ 128,597
EBITDAS	34,445	34,445
Operating earnings	26,080	26,080
Total profit	18,861	18,861
Total comprehensive income	18,792	18,792
Earnings per share	$ 0.18	$ 0.18
Earnings per share – diluted	$ 0.17	$ 0.17

	Three months ended				Year ended
(000's except per share amounts)	March 2011	June 2011	September 2011	December 2011	December 2011
Revenue	$ 103,159	$ 86,607	$ 102,298	$ 110,929	$ 402,993
EBITDAS	22,805	22,019	28,443	29,369	102,636
Operating earnings	15,541	14,652	20,665	11,865	62,723
Total profit	10,912	10,233	15,068	8,609	44,822
Total comprehensive income	10,912	10,233	15,298	8,537	44,980
Earnings per share	$ 0.10	$ 0.10	$ 0.14	$ 0.08	$ 0.42
Earnings per share – diluted	$ 0.10	$ 0.10	$ 0.14	$ 0.08	$ 0.41

	Three months ended				Year ended
(000's except per share amounts)	March 2010	June 2010	September 2010	December 2010	December 2010
Revenue	$ 43,702	$ 45,644	$ 64,892	$ 85,020	$ 239,258
EBITDAS	8,970	7,271	17,361	18,881	52,483
Operating earnings	2,607	512	10,613	12,123	25,855
Total profit	1,041	(59)	7,346	8,102	16,430
Total comprehensive income	1,041	(59)	7,346	8,102	16,430
Earnings per share	$ 0.01	$ -	$ 0.07	$ 0.08	$ 0.16
Earnings per share – diluted	$ 0.01	$ -	$ 0.07	$ 0.08	$ 0.16

Through the last half of 2010, as the price of oil and minerals recovered and the economy began to strengthen, Horizon was able to significantly leverage investments in its manufacturing facilities and rental fleet. As a result, revenue and EBITDAS grew throughout 2010, gaining significant momentum in the second half of the year. Activity levels continued to improve throughout 2011 and in the first quarter of 2012. Horizon's strong performance is expected to continue in 2012 based on increasing customer demand driven by the levels of project investment and Horizon's continuing capital investment in expanding its fleet. With the high levels of investment being made by the energy sector and greater activity in the oil sands, strengthening demand and improving utilization is significantly reducing the seasonal nature of Horizon's business.

Risks and Uncertainties

Volatility of Oil, Natural Gas and Mining Industry Conditions

The demand, pricing and terms for Horizon's Camps & Catering, Matting, and Marine Services segments depend upon the level of industry activity for oil, natural gas and mineral exploration and development in the western Canadian provinces and northern territories. Industry conditions are influenced by numerous factors over which Horizon has no control, including: the level of oil and natural gas and mineral prices; expectations about future oil and natural gas and mineral prices; the cost of exploring for, producing and delivering oil and natural gas and minerals; the expected rates of declining current production; the discovery rates of new oil and natural gas and mineral reserves; available pipeline and other oil and natural gas transportation capacity; demand for oil, natural gas and minerals; worldwide weather conditions; global political, military, regulatory and economic conditions; and the ability of oil and natural gas and mining companies to raise equity capital or debt financing for exploration and development work.

Current global economic events and uncertainty have the potential to significantly impact commodity pricing and, as such, change the economic feasibility of industry development projects. No assurance can be given that expected trends in oil and natural gas and mineral production activities will continue or that demand for services provided by Horizon will reflect the level of activity in the industry. Any prolonged substantial reduction in oil and natural gas and mineral prices would likely affect activity levels in these industries and therefore affect the demand for the services provided by Horizon.

In addition to global economic events and uncertainty, the capacity within North America to ship commodities to market introduces uncertainties in levels of activity and pricing for oil and natural gas and mineral production.

Competition

Horizon provides Camps & Catering, Matting and Marine Services primarily to oil and natural gas and mineral exploration and production companies in the western Canadian provinces and northern territories. The service businesses in which Horizon operates are highly competitive. To be successful, Horizon has to provide services that meet the specific needs of its clients at competitive prices. The principal competitive factors in the markets in which Horizon operates are service, quality, availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, safety records and ongoing safety programs and price. Horizon competes with several competitors that are both smaller and larger than it is. These competitors offer similar services in all geographic areas in which Horizon operates. As a result of competition, Horizon's business, financial condition and results of operations could be adversely affected.

Reduced levels of activity in the oil and natural gas and mining industries can intensify competition and result in lower revenue to Horizon. Variations in the exploration and development budgets of oil and natural gas and mining companies, which are directly affected by fluctuations in energy prices and mineral prices, the cyclical nature and competitiveness of the oil and natural gas and mining industries and governmental regulation, will have an effect upon Horizon's ability to generate revenue and earnings.

Credit Risk

A substantial portion of Horizon's trade and other accounts receivable are with customers involved in the oil and natural gas and mining industries, whose revenues may be impacted by fluctuations in commodity prices. Collection of these receivables could be influenced by economic factors affecting the oil and natural gas and mining industries.

Additional Funding Requirements

Horizon's cash flow may not be sufficient to fund its ongoing activities at all times. From time to time, Horizon may require additional financing. Failure to obtain such financing on a timely basis could cause Horizon to miss certain acquisition opportunities or prevent further growth of its operations. If Horizon's revenues decrease, it will affect Horizon's ability to expend the necessary capital to maintain its operations. If Horizon's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Horizon.

Issuance of Debt

From time to time, Horizon may enter into transactions to acquire assets or shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase Horizon's debt levels above industry standards. Horizon may require additional equity and/or debt financing that may not be available or, if available, may not be available on favorable terms. Neither Horizon's articles nor its by-laws limit the amount of indebtedness that Horizon may incur. The level of Horizon's indebtedness from time to time could impair its ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Labour Relations

The largest component of Horizon's overall expenses is salaries, wages, benefits and payments to employees, agents and contractors. Any significant increase in these expenses could impact the financial results of Horizon. In addition, Horizon will be at risk if there are any labour disruptions. Horizon believes that it has and will continue to foster a positive relationship with employees, agents and contractors.

Agreements and Contracts

The business operations of Horizon depend on successful execution of performance-based contracts. The key factors which will determine whether a client will continue to use Horizon will be service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, safety record and ongoing safety programs and competitive price. There can be no assurance that Horizon's relationship with its customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on Horizon's business, financial condition and results of operations.

Significant Customer

In the quarter ended March 31, 2012, the Corporation had one significant customer who contributed greater than 10% of the consolidated revenue, for a combined total of 30%. The loss of this source of revenue could have a substantial negative impact on the Corporation's future results from operations.

Reliance on Key Personnel

Horizon's success depends in large measure on certain key personnel. The loss of services of such key personnel could have a material adverse effect on Horizon. Horizon does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of Horizon are likely to be of central importance. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Horizon.

Camp Permits

In most cases, permits issued by government agencies are required to set up and operate remote work camp facilities. The issuance of permits is dependent upon water and waste treatment alternatives available, road traffic volumes and fire conditions in forested areas. Failure to receive or renew permits could have a negative impact on the business of the Camps & Catering segment.

Government Regulation

The operations of Horizon are subject to a variety of federal, provincial and local laws of Canada, including laws and regulations relating to health and safety, the conduct of operations, the protection of the environment, the operation of equipment used in its operations and the transportation of materials and equipment it provides for its customers. Horizon invests financial and managerial resources to ensure such compliance. Although such expenditures are generally not material to service providers, such laws or regulations are subject to change. Accordingly, it is impossible for Horizon to predict the cost or impact of such laws and regulations on its future operations.

Environmental Regulation

The Government of Canada and provincial governments in areas where Horizon does business have been working through various forms of regulation and legislation focused on climate change and greenhouse gas emissions. Future federal legislation, together with provincial emission reduction requirements may require the reduction of emissions or emissions intensity from Horizon's operations and facilities and those of its customers. A number of Horizon's customers are involved in the oil and gas exploration and development industry, with specific focus on oil sands related projects. Focus and scrutiny has recently intensified on oil sands development, which could lead to incremental environmental regulation or legislation.

Potential changes in requirements may result in increased operating costs and capital expenditures for oil and gas and mining industry participants, thereby delaying or decreasing the demand for Horizon's services.

Management is unable to predict the impact of potential emissions targets and it is possible that changes could adversely affect Horizon's business, financial condition and results of operations. These regulations would likely result in higher operating costs for our customers in the region, putting further pressure on project economics, and may also impair Horizon's ability to provide its services economically.

Aboriginal Relationships

A component of Horizon's business strategy is based on developing and maintaining positive relationships with the aboriginal people and communities in the areas where Horizon operates. These relationships are important to Horizon's operations and customers who desire to work on traditional aboriginal lands. The inability to develop and maintain relationships and to be in compliance with local requirements could adversely affect Horizon's business strategy, growth and profitability.

Seasonal Operations

Each of Horizon's businesses has slightly different seasonal aspects. Certain segments of the Camps & Catering division are exposed to the seasonality of the western Canadian oil and natural gas drilling industry where the busiest months are January through March and the slowest months are April through September. However, seasonality has been significantly reduced due to increased exposure in the oil sands and mining sectors, which operate year round. The Matting segment is busiest in the spring and summer months of April through September when soft ground conditions hinder the movement of heavy equipment.

Other Risks

Due to the nature of Horizon's business, it is subject to a number of regulations, environmental laws and risks associated with lawsuits arising from accidents and claims. Horizon manages these risks through a combination of quality management, training and by securing insurance coverage to protect the assets of Horizon in the event of litigation.

Changes in Accounting Policies

There have been no changes in accounting policies in the three months ended March 31, 2012.

Critical Accounting Estimates

This Management's Discussion and Analysis of the Corporation's financial condition and results of operations is based on its consolidated financial statements which are prepared in accordance with International Financial Reporting Standards (IFRS). The presentation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of provisions at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates and judgments are based on historical experience and on various assumptions that are believed to be reasonable under the circumstances. Anticipating future events cannot be done with certainty, therefore these estimates may change as new events occur, more experience is acquired and as the Corporation's operating environment changes.

The accounting estimates believed to be the most difficult, subjective or complex judgments and which are the most critical to the reporting of results of operations and financial positions are as follows:

Revenue recognition

The Corporation uses the percentage-of-completion method in accounting for its construction contract revenue. Use of the percentage-of-completion method requires estimates of the stage of completion of the contract to date as a proportion of the total contract work to be performed in accordance with the accounting policy set out in the notes to the consolidated financial statements.

Impairment

The Corporation assesses impairment at each reporting date by evaluating conditions specific to the organization that may lead to impairment of assets. Where an impairment indicator exists or annually for goodwill, the recoverable amount of the asset or cash generating unit is determined. Value-in-use calculations performed in assessing the recoverable amounts incorporate a number of key estimates.

Financial Instruments and Risk Management

(a) Overview

The Corporation is exposed to a number of different financial risks arising from normal course business operations as well as through the Corporation's financial instruments comprised of: cash and cash equivalents, trade and other receivables, trade and other payables, and long-term loans and borrowings. These risk factors include credit risk, liquidity risk, and market risk including currency exchange risk and interest rate risk.

The Corporation's risk management practices include identifying, analyzing and monitoring the risks faced by the Corporation. The following presents information about the Corporation's exposure to each of the risks and the Corporation's objectives, policies and processes for measuring and managing risk.

(b) Credit risk

Credit risk is the risk that a customer will be unable to pay amounts due causing a financial loss. The Corporation's practice is to manage credit risk by examining each new customer individually for credit worthiness before the Corporation's standard payment terms are offered. The Corporation's review may include financial statement review, credit references, or bank references. Customers that lack credit worthiness transact with the Corporation on a prepayment only basis.

The Corporation constantly monitors individual customer trade receivables, taking into consideration industry, aging profile, maturity, payment history and existence of previous financial difficulties in assessing credit risk. A formal review is performed each month for each subsidiary, focusing on amounts which have been outstanding for periods which are considered abnormal for each customer. The Corporation establishes an allowance for doubtful accounts for specifically identifiable customer balances which are assessed to have credit risk exposure.

The following shows the aged balances of trade and other receivables:

(000's)	March 31, 2012	March 31, 2011
Neither impaired nor past due	$ 42,043	$ 24,617
Impaired	156	721
Outstanding 31-60 days	23,504	17,752
Outstanding 61-90 days	6,733	9,304
Outstanding more than 90 days	8,032	4,484
Total	80,468	56,878
Allowance for doubtful accounts	(156)	(721)
Accrued revenue	11,272	9,956
Other receivables	1,488	1,137
Total trade and other receivables	$ 93,072	$ 67,250

In the quarter ended March 31, 2012, the Corporation provided an allowance for $156,000 of receivables aged greater than 90 days. The Corporation also applied $12,507 of allowance for doubtful accounts against the associated receivable balance. As at May 2, 2012 the Corporation has collected $1,682,000 on amounts outstanding more than 90 days.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation believes that it has access to sufficient capital through internally generated cash flows and committed credit facilities to meet current spending forecasts.

To manage liquidity risk, the Corporation forecasts operational results and capital spending on a regular basis. Actual results are compared to these forecasts to monitor the Corporation's ability to continue to meet spending forecasts.

The following shows the timing of cash outflows relating to trade and other payables and loans and borrowings:

	March 31, 2012		December 31, 2011	
	Trade and other payables[1]	Loans and borrowings[2]	Trade and other payables[1]	Loans and borrowings[2]
Year 1	$ 49,581	$ 1,213	$ 46,213	$ 1,281
Year 2	-	1,000	-	1,000
Year 3	-	(1,600)	-	50,523
Year 4	-	69,300	-	3,711
Year 5 and beyond	1,319	-	1,283	-
	$ 50,900	$ 69,913	$ 47,496	$ 56,515

(1) Trade and other payables include trade and other payables, income taxes payable, and asset retirement provisions.

(2) Loans and borrowings as at March 31, 2012 include non-interest bearing notes payable and Horizon's revolving credit facility. Loans and borrowings as at March 31, 2012 include non-interest bearing notes payable and the Horizon's senior secured revolving term facility. Cash flows of Horizon's note payable have been recorded according to estimated utilization of specific equipment.

(d) Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on future performance of the Corporation. The market price movements that could adversely affect the value of the Corporation's financial assets, liabilities and expected future cash flows include foreign currency exchange risk and interest rate risk. As the Corporation's exposure to foreign currency exchange risk and interest rate risk is limited, the Corporation does not currently hedge its financial instruments.

(i) Foreign currency exchange risk

The Corporation began operations in the USA in September 2011 with a small camp & catering project in Montana. The foreign exchange risk with respect to this operation is limited due to revenues and purchases being denominated in USD. For the Canadian operations, the Corporation has limited exposure to foreign currency exchange risk as sales and purchases are typically denominated in CAD. The Corporation's exposure to foreign currency exchange risk arises from the purchase of some raw materials, which are denominated in USD, and foreign operations with USD functional currency.

As the foreign currency exchange risks are primarily based on the realized foreign exchange, the following sensitivity analysis is to determine the impact on cash used in operating activities. The effect of a $0.01 increase in the USD/CAD exchange rate would decrease cash used in operating activities for the three months ended March 31, 2012 by approximately $88,000 (March 31, 2011 - $55,000). This assumes that the quantity of USD purchases and the foreign operations in the quarter remain unchanged and that the change in the USD/CAD exchange rate is effective from the beginning of the year.

(ii) Interest rate risk

The Corporation is exposed to interest rate risk as changes in interest rates may affect interest expense and future cash flows. The primary exposure is related to the Corporation's revolving credit facility which bears interest at a rate of prime plus 1.00%. If prime were to have increased by 1.00%, it is estimated that the Corporation's net earnings would have decreased by approximately $150,000 for the three months ended March 31, 2012 (March 31, 2011 – $102,000). This assumes that the amount and mix of fixed and floating rate debt in the nine months ended December 31, 2011 remains unchanged and that the change in interest rates is effective from the beginning of the year.

Outstanding Shares

Horizon had 107,783,945 voting common shares issued and outstanding with a book value of $177,216,000 or $1.64 per share as at March 31, 2012.

Off Balance Sheet Financing

Horizon has no off balance sheet financing.

Management's Report on Disclosure Controls and Procedures and Internal Control over Financial Reporting

Disclosure Controls & Procedures

As at December 31, 2011, an evaluation was carried out, under the supervision of the CEO and the CFO, of the effectiveness of the design and operation of Horizon's DC&P as defined by National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings. Based on this evaluation, the CEO and CFO have concluded that, as at December 31, 2011 Horizon's DC&P, as defined by National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, were effective.

There were no changes in Horizon's DC&P that occurred during the three months ended March 31, 2012 that have materially affected, or are reasonably likely to materially affect, Horizon's DC&P.

Internal Controls over Financial Reporting

Internal controls over financial reporting (ICFR) are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate ICFR.

Because of inherent limitations, ICFR can only provide reasonable assurance and may not prevent or detect all misstatements. Additionally, projections of an evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As at December 31, 2011, an evaluation was carried out, under the supervision of the CEO and the CFO, of the effectiveness of Horizon's ICFR based on the framework and criteria established in *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this evaluation, management concluded that the design and operating effectiveness of Horizon's ICFR was effective as of December 31, 2011.

There were no changes in Horizon's ICFR that occurred during the quarter ended March 31, 2012 that have materially affected, or are reasonably likely to materially affect, Horizon's ICFR.

Related parties

For the three months ended March 31, 2012 there were no material related party transactions.

All related party transactions in the normal course of operations have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties. All outstanding balances are to be settled with cash, and none of the balances are secured.

Advisories

This Management's Discussion and Analysis, prepared as at May 2, 2012, focuses on key statistics from the Consolidated Financial Statements and pertains to known risks and uncertainties relating to the business carried on by Horizon North Logistics Inc. (the "Corporation" or "Horizon"). This discussion should not be considered all-inclusive, as it does not attempt to include changes that may occur in general economic, political and environmental conditions. Additional information related to the Corporation, including the Corporation's annual information form, is available on SEDAR at www.sedar.com. Unless otherwise indicated, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the reporting currency is in Canadian dollars.

Caution Regarding Forward-Looking Information and Statements

Certain statements contained in this Management Discussion and Analysis ("MD&A") constitutes forward-looking statements or information. These statements relate to future events or future performance of Horizon. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan" "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions are intended to identify forward-looking statements.

In particular, such forward looking statements include: under the heading "Quarterly Summary of Results" the statements that "Horizon's strong performance is expected to continue in 2012 based on increasing customer demand driven by levels of project investment and Horizon's continuing capital investment in expanding its fleet;" and under the heading "Overview and Outlook" the statements that "It is anticipated that the remaining $20 million will be allocated to new projects generated from continued, strong bidding activity."

The foregoing statements are based on the assumption that the demand for Horizon's products and services will remain strong through 2012 and that Horizon will continue to experience sufficient returns on its expansion capital.

There are a number of risks which could impact these generally high levels of activity which could negatively impact the Corporation's business. As such, many factors could cause the performance or achievements of the Corporation to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.