VERTEX RESOURCE GROUP LTD.

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2018

Dated: March 22, 2019

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CURRENCY

All dollar amounts in this Annual Information Form ("AIF") are in Canadian dollars, except where otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking information". When used in this document or by management of the Company (as defined below), the words "may", "would", "will", "intend", "plan", "propose", "anticipate" and "believe" are intended to identify forward-looking information. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company's current views based on its experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any expected future results, performance or achievement that may be expressed or implied by such forward-looking statements. In particular, this AIF contains or implies forward-looking statements pertaining to: general market conditions; future market access; the oil and natural gas industry; demand for the Company's services and the factors contributing thereto; corporate strategy; expansion strategy; future capital needs; access to capital; expectations with respect to future opportunities and stability; and acquisition strategy.

The forward-looking information and statements contained in this document reflect several material factors and expectations and assumptions of the Company including, without limitation: that the Company will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing tax, royalty and regulatory regimes; future sources of funding for the Company's capital program; the Company's future debt levels; the impact of competition on the Company; the Company's ability to obtain financing on acceptable terms; and certain cost assumptions.

The forward-looking information and statements included in this document are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: volatility of the oil and natural gas industry; dependence on customer contracts; market acceptance of the Company; availability of additional capital; failure to achieve anticipated results of the Company's growth strategy; potential litigation claims; adverse litigation judgments, settlements and exposure to liability; government and regulatory approvals; ability to realize anticipated benefits of future acquisitions; Vertex's indebtedness; competition in the industries in which the Company operates; downturns in general economic and market conditions and reduced demand for Vertex's products and services; adequate insurance coverage; restrictive covenants in the Company's borrowing arrangements; positive covenants in Vertex's material contracts; third party credit risk; demand for hydrocarbons; loss of information and computer systems or cyber-attacks; director and officer conflicts of interest; a reassessment by tax authorities of Vertex's income calculations; the presence of an active trading market for Vertex's shares; volatility of the Company's share price; reliance on industry partners; attracting and retaining skilled personnel; and other factors discussed under "*Risk Factors*". Vertex's business is subject to a number of risks and uncertainties. Readers are encouraged to review and carefully consider the risk factors described in this AIF, which risk factors are specifically incorporated by reference herein. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this AIF are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this AIF are made as of the date of this AIF. The Company does not intend and does not assume any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, unless required by law.

CORPORATE STRUCTURE

Name The name of the corporation is: Vertex Resource Group Ltd.

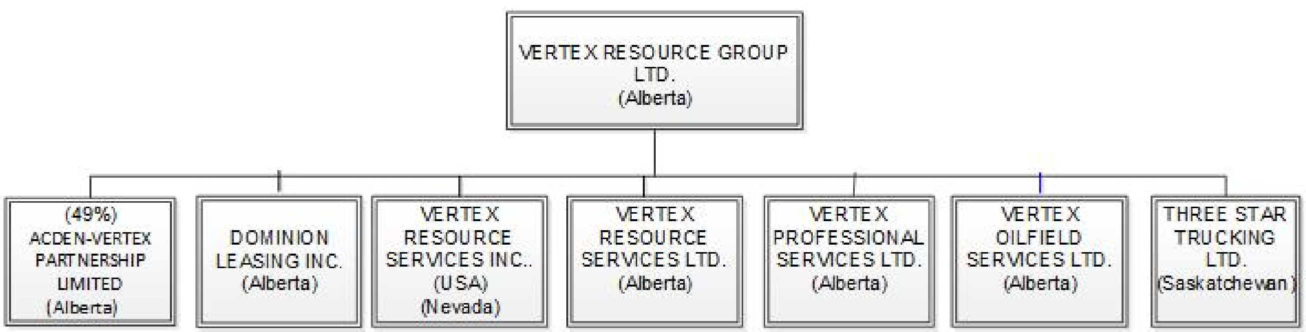
Address Head office: 161, 2055 Premier Way, Sherwood Park, Alberta, T8H 0G
Registered office: 2200, 10235 – 101 Street N.W., Edmonton, Alberta, T5J 3G1

Incorporation

Vertex Resource Group Ltd. ("Vertex" or the "Company") was amalgamated on May 26, 2005 pursuant to the *Business Corporations Act* (Alberta) (the "ABCA") under the name "TWT Vegetation Management Ltd.". On June 26, 2012, Vertex changed its name to "Vertex Resource Group Ltd." and on July 1, 2015, Vertex amalgamated with Blackjack Investments Ltd. On October 16, 2017, the Company completed a qualifying transaction (the "Transaction") with VIER Capital Corp. ("VIER"), a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. On October 18, 2017, following the issuance by the Exchange of its final bulletin in respect of the Transaction, the Company began trading on the Exchange under the symbol "VTX".

Intercorporate Relationships

The following table sets forth the material direct subsidiaries of Vertex as at the date of this AIF and their related jurisdiction of incorporation:



Unless otherwise stated, the above legal organization chart reflects 100% of voting securities owned directly by Vertex.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Recent Developments

On March 22, 2019, the step down of the ratio of consolidated senior indebtedness to trailing EBITDA for fiscal 2019, was deferred by the lenders. The ratio will remain at 3.75 to 1.00 for all quarters ending in fiscal 2019.

2018

On January 10, 2018, Vertex settled one promissory note issued to a shareholder of Vertex with an aggregate value of $1.8 million for 1,924,320, Class A common shares ("Common Shares") of the Company, which was treated as a non-cash transaction for the purposes of the consolidated statement of cash flows.

On May 11, 2018 (as amended on July 12, 2018), the Company refinanced its operating loan, senior debt and subordinated debt with a secured credit facility (the "Credit Facilities") involving a syndicate of financial institutions lead by HSBC Bank Canada ("HSBC"). The total Credit Facilities of $85.0 million are broken into three committed facilities: a $30.0 million syndicated facility ("revolving loan"), a $50.0 million term loan facility ("term loan"), and a $5.0 million operating facility ("operating loan"). This Credit Facilities also include an additional $20.0 million accordion facility. The Credit Facilities are for a three-year committed, term maturing on May 10, 2021.

On May 31, 2018, the Company reached an agreement to purchase 100% of the outstanding shares of an environmental services company providing vacuum, hydrovac, fluid hauling, hot oiler and pressure truck services for a purchase price of $3.3 million paid with an unsecured, non-interest bearing seller's note with a face value of $2.5 million (fair value of $2.4 million) and approximately $0.8 million in cash. Based on the final allocation of fair values, the Company identified a gain on bargain purchase of $0.2 million. The bargain purchase gain was the result of net assets acquired exceeding the consideration paid.

On June 27, 2018, the Company reached an agreement to purchase 100% of the outstanding shares of a private company providing hydrovac services to the Edmonton, Alberta region for $4.3 million. The total consideration of $4.3 million was paid with an unsecured, non-interest bearing seller's note with a face value of $1.2 million (fair value of $1.1 million) and the Company entered into a $3.1 million capital lease as discussed in the notes to the annual financial statements.

On July 12, 2018, the Company reached an agreement to purchase 100% of the outstanding shares of an environmental services company providing fluid hauling, pressure truck, hot oiler and combo-vac services. For total consideration of $7.8 million, the Company paid $4.2 million in cash, agreed to an unsecured, non-interest bearing seller's note with a face value of $1.9 million (fair value of $1.8 million) and issued 2,600,000 Common Shares at a fair value of $0.64 per share for an aggregate value of $1.7 million, which has been recorded as an increase to share capital. The Company retired debt of the environmental services company of $9.1 million using proceeds from an increase to its revolving and term loan during 2018. The intangibles acquired relates to non-compete agreements, backlog and customer relationships. Based on the final allocation of fair values the Company identified gain on bargain purchase on acquisition of $7.7 million as net assets acquired exceeded consideration paid.

On December 21, 2018, the Company granted 750,000 stock options ("Options") to its employees. The Options have an exercise price of $1.00, vest over a period of three years and are exercisable until December 21, 2023.

2017

In 2017, Vertex renegotiated its senior credit facility, reducing the overall size of the facility from $65.5 million to $60.0 million as the extra facilities were not required to operate Vertex's business and the reduced size provided a cost savings to Vertex.

In 2017, Vertex negotiated shareholder loans and vendor notes in the aggregate principal amount of $8.9 million and converted these loans into Common Shares of pre-transaction Vertex ("Old Vertex").

On May 31, 2017, the Company reached an agreement to purchase 100% of the outstanding shares of an engineering firm that provides abandonment, completion and drilling engineering services for $2.7 million. For the total consideration of $2.7 million, the Company issued 771,429 Common Shares. Goodwill on acquisition was attributable primarily to the skills and competence of the acquired workforce and growth opportunity of the combined operations. Goodwill is not deductible for tax purposes.

On May 31, 2017, the Company reached an agreement to purchase 100% of the outstanding shares of an environmental services company who specialized in vacuum, pressure and stable foam operations for $1.4 million. For the total consideration of $1.4 million, the Company issued 401,115 Common Shares. Based on the final allocation of fair values the company identified a bargain purchase gain on acquisition of $0.5 million as net assets acquired exceeded consideration paid.

On June 30, 2017, the Company reached an agreement to purchase 100% of the outstanding shares of a second engineering firm that provides estimating and project management services for $2.4 million. For the total consideration of $2.4 million, the Company issued 631,580 Common Shares. Goodwill on acquisition was attributable primarily to the skills and competence of the acquired workforce and growth opportunity of the combined operations. Goodwill is not deductible for tax purposes.

On June 30, 2017, the Company reached an agreement to purchase 100% of the outstanding shares of a company that provides engineered chemical solutions for $4.6 million. For the total consideration of $4.6 million, the Company issued 1,200,000 Common Shares. Goodwill on acquisition was attributable primarily growth opportunity of the combined operations. Goodwill is not deductible for tax purposes. Of the $4.6 million consideration, $3.1 million is contingent on the chemical service company achieving annual and cumulative EBITDA targets totalling $4.2 million over the next three years. Accordingly, 805,263 Class A Shares (3,060,003 Class A Shares following the share exchange conducted in accordance with the Transaction) were issued in escrow and will be released over the three years following the date of the purchase agreement, based on the Company's performance.

On September 1, 2017, Michael Zvonkovic joined Vertex as Chief Financial Officer and Corporate Secretary.

On October 16, 2017, the Company completed the Transaction with VIER and on October 18, 2017, following issuance by the Exchange of its final bulletin in respect of the Transaction, the Company began trading on the Exchange under the symbol "VTX".

On December 22, 2017, the Company granted 4,350,000 stock options ("Options") to its directors, officers and employees. The Options have an exercise price of $1.00, vest over a period of three years and are exercisable until December 22, 2022.

On December 23, 2017, the Company reached an agreement to purchase 100% of the operating assets of an environmental services company that provides pressure trucks, fluid hauling, chemical and KCL products for $4.5 million. For the total consideration of $4.5 million, the Company paid cash of $2.1 million and issued 2,350,000 Common Shares at fair value of $0.50 per share. The purchase agreement contains a contingent deferred payment amount that could result in the issuance of additional Common Shares if the trading price of the Company does not reach or exceed $1.00 per share prior to December 31, 2019. Of the 2,350,000 Common Shares issued, $1.2 million have been recorded as an increase in share capital and $1.2 million have been recorded as a long-term provision to reflect variable shares to be issued in the future. Based on the contingent deferred payment provision in the purchase agreement, the number of Common Shares that could be issued in the future range from nil to 2,350,000. Based on the final allocation of fair values, the Company identified a gain on acquisition of $0.5 million as net assets acquired exceeded consideration paid.

On December 31, 2017, the Company reached an agreement to purchase 100% of the operating assets of a land firm that provides land consulting services, for cash consideration of $0.4 million.

2016

In March 2016, in response to the downturn in the oil and gas industry, Vertex implemented a number of cost reduction initiatives, which included facility closures and consolidations, staff reductions, wage rollbacks, and a reduction in all discretionary spending. During this same month, Vertex started an industrial cleaning services division in Lloydminster, Saskatchewan.

In May 2016, Vertex entered into a sale leaseback of an office and shop facility in Blackfoot, Alberta. Proceeds of the sale were used to reduce Vertex's debt.

From May 2016 through to August 2016, some of Vertex's operations were affected by the Fort McMurray fires, resulting in decreased revenues for 2016.

In September 2016, Vertex acquired Red Giant Energy Services Ltd. ("Red Giant"). Red Giant provides fluid storage, logistics and treatment services. This acquisition complemented Vertex's environmental consulting business, environmental services operations (including vacuum and cleaning services) and Vertex's existing environmental rental fleet. Red Giant was acquired for consideration valued at $11.5 million and consisting of 3,993,056 Class A Shares at a deemed issue price of $2.88 per Class A Share.

Through the 2016 calendar year, management incurred $5.5 million of restructuring costs related to both the acquisitions and general economic factors that required the company to adjust the size of its operations.

Significant Acquisitions

The Company did not complete any significant acquisitions during the year ended December 31, 2018 for which disclosure is required under Part 8 of NI 51-102.

DESCRIPTION OF THE BUSINESS

General

Vertex's history dates back to 1962 with the founding of Three Star Trucking Ltd. and later with Farmstead Buildings Ltd and Pioneer Land Services Ltd., all of which subsequently formed part of Vertex's business. Vertex has grown to become a leading provider of environmental services through acquisitions and organic growth to be provider of environmental and industrial services, including environmental and land consulting, fluid hauling and management, cleaning and equipment rentals.

Vertex is headquartered near Edmonton in Sherwood Park, Alberta. Vertex serves a diverse customer base operating in industries including oil and gas, mining, utilities, forestry, private development, public infrastructure, telecommunications and government. The Company operates principally in western Canada (Alberta, British Columbia, Saskatchewan, Manitoba) and has operations in select United States markets (North Dakota, New Mexico, Oklahoma and Texas).

Vertex helps its clients achieve their developmental and operational goals through a versatile suite of integrated environmental services. From initial site selection, consultation, regulatory approval, estimating and design, through the construction, operation and maintenance phases, to conclusion and environmental cleanup, Vertex offers services throughout the life cycle of its clients' projects. The Company services a wide array of high-quality customers in many different industries noted below.

The Company provides services in western Canada where the level of operating activity is influenced by seasonal weather patterns. Certain project sites are located in remote areas that are inaccessible other than during the winter months because the ground surrounding the project sites makes the area inaccessible during warmer seasons. Seasonal factors and unexpected weather patterns may lead to declines in the demand for the services of the Company. Wet weather and the spring thaw can make the ground unstable; consequently, municipalities and provincial transportation authorities enforce road bans that restrict movement of vehicles and other heavy equipment, thereby reducing activity levels.

Vertex operates two operating segments: environmental services (the "Environmental Services Segment") and industrial services (the "Industrial Services Segment"). Vertex maintain a Corporate Services segment, which provides service such as information technology, executive support, human resources, administration, payroll, accounting, purchasing and finance services to both operating segments.

Environmental Services

The Environmental Services Segment of Vertex accounted for approximately 83% of the 2018 total revenue generated by Vertex (approximately 61% in 2017). The majority of the environmental services are provided to oil and gas production companies, midstream companies, potash and coal mining, utilities, forestry, private developers, public infrastructure and governments throughout Alberta, Saskatchewan, Manitoba, British Columbia, North Dakota, Oklahoma, New Mexico and Texas.

Through Vertex's Environmental Services segment, the Company provides a variety of services related to assisting its clients to meet internal environmental standards, environmental legislation and related environmental compliance requirements. These services span multiple industries including: oil and gas, mining, utilities, forestry, private development, public infrastructure, telecommunications and government. More specifically, these services include environmental planning and regulatory approvals, reclamation, remediation, groundwater monitoring, abandonment, drilling and completion engineering, emergency spill response, vacuum, hydrovac, pressure testing, industrial cleaning, fluid management and logistic solutions, waste management bins and disposals, wellsite accommodations, and engineered chemistry products and solutions.

Specific Services provided by the Environmental Services Segment include:

- environmental consulting, including planning and regulatory approvals, site assessments and monitoring, geotechnical and civil engineering, wild life management, reclamation, remediation, groundwater monitoring, drilling waste, gas migration, emissions testing and reporting and well abandonment;
- land and regulatory services consisting of stakeholder consultation on mineral and surface rights, permitting, right of ways, access and use rights and other land use consulting for oil and natural gas, midstream, wind, solar, power, utility, and telecommunications customers;
- emergency spill response to assist customers in efficient and effective spill cleanup to ensure safety, environmental remediation, and regulatory compliance;
- high-pressure fluid hauling trailers, trucks and related equipment to handle, haul, and manage fluids including drilling, completion, and production fluids for oil and NGL, petrochemical, condensate, butane, propane and other industrial customers;
- high-quality rental tanks and containment equipment;
- Hydrovac and vacuum services for a diverse range of infrastructure and maintenance related to oil and gas, mining, utilities, forestry, private development, public infrastructure, telecommunications and government;
- Pressure and steam truck services for customers in drilling, production and completion operations.
- industrial cleaning, high-pressure water blasting~~;~~ and chemical cleaning services for routine maintenance, turnaround and shutdowns
- engineered chemistry products and solutions;

- waste management bins and disposal;
- surface rentals and wellsite accommodations;
- foam services for use in drilling and completions activities in oil and natural gas wells;
- abandonment, completion and drilling engineering; and
- geographical information services, mapping and drone services, with provision of such services to governments, industry and commercial clients including construction and real estate clients.

The Environmental Services Segment uses Vertex employees and equipment to manage and carry out environmental services projects. Vertex also utilizes rented or leased equipment, subcontractors or consultants, as necessary. The Environmental Services Segment operates and carefully maintains a modern fleet of specialized equipment with 234 power units and 317 trailers with access to an additional 74 power units and 19 trailers under contract with owner operators, 1,280 pieces of equipment in its rental fleet and 150 light trucks and equipment. The operational facilities include leased shops and yards that are used to maintain and repair equipment in addition to being used for storage. The Environmental Services Segment also utilizes leased office space for professional staff.

This segment currently employs approximately 600 of Vertex's 650 employees and lease operators.

Industrial Services

The Industrial Services Segment accounted for approximately 17% of the 2018 total revenue generated by Vertex (approximately 39% in 2017). The majority of these industrial services are provided to oil and gas production companies, midstream companies, potash, utilities, forestry, public infrastructure and governments throughout Alberta, Saskatchewan, Manitoba, British Columbia and the North West Territories.

Services provided by the Industrial Services Segment include:

- Manufacturing and installation of custom insulation blankets for the protection of workers and equipment;
- Manufacturing, installation and repair of self-frame and rigid frame metal buildings
- Safety and rescue services consisting of:
    - providing on-site safety supervision and high-angle and confined space rescue services for resource and industrial customers;
    - breathing air services; and
    - safety and industrial consumables.

The Industrial Services Segment uses Vertex employees and equipment in providing services and utilizes rented or leased equipment, subcontractors or consultants, as necessary. The leased operational facilities contain shops and yards that are used to maintain and repair equipment in addition to being used for storage. The Industrial Services Segment also utilizes leased project offices as required to effectively conduct Vertex's work.

This segment currently employs approximately 50 of Vertex's 650 employees and lease operators.

Specialized Skill and Knowledge

Vertex's team is carefully selected for its technical and professional experience and education. Vertex's highly skilled and experienced professionals and equipment operators have enabled technological and operational advancements and efficiencies. Vertex places particular emphasis on, and continued investment in, the human capital of the organization.

Professionals and equipment operators are required to complete numerous safety certifications and training courses in order to ensure Vertex's representatives have the necessary training, skill and experience to meet the needs of Vertex's customers in an efficient manner that is safe to themselves, the community and the environment.

Components

Vertex has agreements with a number of its suppliers for both the Environmental Services Segment and the Industrial Services Segment capable of providing any equipment and materials needed at competitive rates. Wherever possible, Vertex has negotiated these rates to be in line with industry conditions.

Competitive Conditions

The markets and geographic areas in which Vertex operates are highly competitive. The principal competitive factors in both the Environmental Services Segment and the Industrial Services Segment include knowledge, skill, experience, breadth and integration of service offerings, capacity to perform, geographical coverage, price and efficiency. Although Vertex does have some competitors who offer specialized services in environmental and/or industrial services, Vertex believes that its combination of breadth of services, expertise, experience and ability to provide integrated solutions are the keys to its competitive positioning.

Vertex requires significant resources, capital, knowledge and expertise in order for the Environmental Services Segment to remain competitive. For select services, the capital required to obtain the necessary specialized equipment to perform the complex duties tasked by customers of this segment is significant. Further, it requires a significant investment to attract, develop and retain employees with the required education, experience and knowledge to effectively utilize or operate this specialized equipment. This creates a significant barrier to entry as many operations do not possess the ability to develop the human capital required, nor the mobilization capabilities to operate in remote locations, and develop trusted relationships and specialized knowledge of the jurisdictional regulatory requirements. Vertex's primary competitors in the Environmental Services Segment are currently Stantec Inc., Golder Associates Ltd., WSP Global Inc., Jacobs Engineering Group Inc., ClearStream Energy Services Inc., Clean Harbors Inc., Mullen Trucking Corp., Secure Energy Services Inc., CES Energy Solution Corp., Black Diamond Group Limited and GFL Environmental Inc. Vertex's Environmental Services Segment has set locations with specialized and in-depth knowledge of jurisdictional regulatory requirements that provide it with a significant competitive advantage as the professionals and operators within this segment have an intimate knowledge of the region in which they operate, while having access to specialized equipment requiring significant investment.

Within the Industrial Services Segment, competition for larger capital projects is narrowing. These larger capital projects are primarily limited to those capable of meeting the capital, equipment, skilled labour and management requirements for the job. The barriers to entry in the Industrial Services Segment are financially and logistically low depending on project scope, however, company reputation and safety performance remain a decisive factor in the determination of project awards. This creates a unique barrier to entry. Vertex's primary competitors in the Industrial Services Segment are currently Brand Industrial Services Inc., Kaefer Industrial Services Ltd. and The Brock Group Inc.

In the estimate of Vertex's management, few, if any, of Vertex's competitors provide the breadth and integration of services that Vertex does, which results in a fragmented market. In the fragmented market, Vertex's management believes that it is uniquely positioned with its large pool of skilled labour and professional staff, cost-effective products and services, top-tier project management expertise, geographical spread and industry knowledge and ability to integrate multiple service offerings and complete projects safely. In management's opinion, Vertex's reputation and ability to provide the skill to complete complex projects safely and within the specified time and budget remain a strong differentiator from its competitors.

Cycles / Trends and Seasonality

Activity levels in both the Environmental Services Segment and the Industrial Services Segment are affected by seasonality as well as trends in the industries in which its customers operate. In Canada, the level of activity in the environmental services and oilfield services sectors are influenced by seasonal weather patterns. On a quarterly basis, activity can vary greatly. In typical years, the first calendar quarter is the most active in the oil and gas services industry, the second quarter is the least active, and the third and fourth quarters typically reflect increasing activity over the preceding quarter. Environmental and industrial services are typically the busiest during the third and fourth quarters with lower activity levels in the first and second quarters. In particular, during the second quarter, commonly referred to as the "spring break-up", the frost leaves the ground making certain roads incapable of supporting the weight of heavy equipment resulting in restrictions in the level of industrial and energy service activity across western Canada.

Vertex's activity in the United States is generally not as influenced by seasonal weather conditions as it is in Canada.

Changes to Contracts

Vertex's business operations depend on customer contracts and Vertex has 101 master service agreements ("MSAs") with several of the Company's customers. The business operations of Vertex depend, in part, on certain agreements with its customer base that may be cancelled at any time by either Vertex or its customers. The key factors which will determine whether a client continues to use Vertex are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety, and competitive price. There can be no assurance that Vertex's relationships 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 Vertex's business, financial condition, results of operations and cash flows.

The Transaction

As noted above, on October 16, 2017, the Company completed the Transaction with VIER and on October 18, 2017, following issuance by the Exchange of its final bulletin in respect of the Transaction, the Company began trading on the Exchange under the symbol "VTX".

In connection with the Transaction, the 7,350,000 issued and outstanding shares of VIER were consolidated (the "Consolidation") on a 10 to 1 basis for total consideration of $0.7 million.

Pursuant to the Transaction: (i) VIER acquired all of the issued and outstanding Class A Shares of Old Vertex from the shareholders of Old Vertex in exchange for an aggregate of 85,773,459 Common Shares; and (ii) VIER, Old Vertex and a wholly-owned subsidiary of Old Vertex amalgamated to form the Company. In addition, an aggregate of 2,197,206 warrants to acquire Common Shares ("Warrants") were issued in exchange for share purchase warrants to acquire Class A Shares in the capital of Old Vertex. Shares of Old Vertex were exchanged on a 1 to 3.8 basis.

Immediately following completion of the Transaction and the issuance of an aggregate of 30,345 Common Shares upon the concurrent exercise of VIER options to acquire Common Shares, the Company had 86,538,804 Common Shares issued and outstanding, on a non-diluted basis. The aggregate 56,695,250 Common Shares and 2,197,206 Warrants held by the directors and officers of the Company, as well as certain Common Shares held by certain other shareholders of the Company are subject to escrow restrictions. See "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*".

Risk Factors

Due to the nature of Vertex's business, the legal and economic climate in which it operates and its present stage of development and proposed operations, Vertex is subject to significant risks. Vertex's future development and actual operating results may be very different from those expected as at the date of this AIF. The following describes the risks that are most material to Vertex, which readers should consider carefully. However, this is not a complete list of potential risks that Vertex faces. There may be other risks that Vertex is not aware of, or risks that are not material today but could become material in the future.

The following is a summary of certain risk factors relating to the business of Vertex and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing in this AIF.

Volatility of the oil and natural gas industry may adversely affect Vertex's business.

Vertex's business is directly affected by fluctuations in the levels of exploration, oil and natural gas development and production activity carried on by its customers, which in turn is dictated by numerous factors, including world energy prices and government policies. The demand, pricing and terms for services provided by Vertex depend, in part, upon the level of industry activity for Canadian and U.S. oil and natural gas exploration and development. Industry conditions are influenced by numerous factors over which Vertex has no control, including: the level of oil and gas prices; expectations about future oil and natural gas prices; the cost of exploring for, producing and delivering oil and natural gas; the expected rates of declining current production; the discovery rates of new oil and natural gas reserves; available pipeline and other oil and natural gas transportation capacity; worldwide weather conditions; global political, military, regulatory and economic conditions; and the ability of oil and natural gas companies to raise equity capital or debt financing.

The oil and natural gas and environmental service industries are highly reliant on the levels of capital expenditures made by oil and natural gas producers and explorers. Exploration and production companies base their capital expenditures on several factors, including but not limited to hydrocarbon prices, production levels and access to capital. In recent years, commodity prices and therefore, the level of drilling, production and exploration activity have been volatile. Any prolonged, substantial reduction in commodity prices will likely affect the activity levels of the exploration and production companies and the demand for some of Vertex's services. A significant, prolonged decline in commodity prices could have a material adverse effect on Vertex's results of operations and financial condition. The price of fuel, equipment and other input costs, insurance costs, interest rates, fluctuations in customers' business cycles and international, national and regional economic conditions are factors over which Vertex has no control. A prolonged decline in commodity prices and field activity or significant increases in fuel prices, equipment prices, other input prices, interest rates or insurance costs could reduce profitability.

Vertex's business operations depend on customer contracts.

The business operations of Vertex depend, in part, on certain agreements with its customer base that may be cancelled at any time by either Vertex or its customers. The key factors which will determine whether a client continues to use Vertex are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety, and competitive price. There can be no assurance that Vertex's relationships 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 Vertex's business, financial condition, results of operations and cash flows.

Vertex is susceptible to seasonal volatility in its operating and financial results due to adverse weather conditions.

In general, the level of activity in the North American oilfield services industry and the environmental services industry are, to an extent, influenced by seasonal weather patterns. Wet weather or the spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments may enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Additionally, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months, because the ground surrounding the drilling sites in these areas consists of swampy terrain. Consequently, Vertex's ability to generate revenue and net income in these segments of its business may be limited during certain periods of the year. In addition, seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration and production companies and corresponding declines in the demand for the services of Vertex.

Vertex's commercial and financial success depends on market acceptance and, if not achieved, will result in Vertex not being able to generate revenue to support its operations.

The commercial success of Vertex depends, among other things, on market acceptance. The success of Vertex's products and any new services that it may launch is dependent upon its ability to attract and retain a critical mass of merchants in potentially diverse geographic locations. The sales cycle for a new merchant can be lengthy. Competitive pricing and market acceptance also depends on the future pricing and availability of competing products and the perceived comparative efficacy of Vertex.

If Vertex cannot reach this market, or cannot offer competitive pricing packages, its operating results and revenues will be adversely affected.

Vertex may require additional capital to support its operations or the growth of its business, and it cannot be certain that this capital will be available on reasonable terms when required, or at all.

From time to time, Vertex may need additional financing to operate or grow its business. The ability to continue as a going concern may be dependent upon raising additional capital from time-to-time to fund operations. Vertex's ability to obtain additional financing, if and when required, will depend on investor and lender willingness, its operating performance, the condition of the capital markets and other facts, and Vertex cannot assure anyone that additional financing will be available to it on favorable terms when required, if at all. If Vertex raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of its current stock, and its existing shareholders may experience dilution. If Vertex is unable to obtain adequate financing or financing on terms satisfactory when it requires it, its ability to continue to support the operation or growth of its business could be significantly impaired and its operating results may be harmed.

Vertex's growth strategy may not achieve the anticipated results.

Vertex's future success will depend on its ability to grow its business. Growth and innovation strategies require significant commitments of management resources and capital investments, and Vertex may not grow its revenues at the rate it expects or at all. As a result, Vertex may not be able to recover the costs incurred in developing new projects and initiatives or to realize their intended or projected benefits, which could materially adversely affect its business, financial condition or results of operations.

Vertex depends on highly skilled personnel to grow and operate its business. If Vertex is not able to hire, retain, and motivate its key personnel, its business may be adversely affected.

Vertex's success depends, in part, upon a number of key employees, including members of senior management who have extensive experience in the industry. Competition for talented senior management is intense and Vertex's ability to successfully develop and maintain a competitive market position will depend, in part, on its ability to attract and retain highly qualified and experienced management. The loss of the services of key personnel could have a material adverse effect on Vertex's business, operating results and financial condition.

Adverse litigation judgments, settlements, claims and exposure to liability resulting from legal proceedings in the normal course of business could reduce Vertex's profits or limit its ability to operate.

Vertex may be subject to allegations, claims and legal actions arising in the ordinary course of its business, which may include claims by third parties, including employees or regulators. The outcome of many of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely to Vertex, a judgment, fine or settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against Vertex, its business, financial condition and results of operations could be materially adversely affected.

The market for Vertex's products and services is subject to extensive government and regulatory approvals.

Vertex's products, service activities and manufacturing processes are subject to extensive regulation by numerous government agencies. To varying degrees, these agencies monitor and enforce Vertex's compliance with laws and regulations. Vertex also has ongoing responsibilities under local and international regulations. Any adverse regulatory action, depending on its magnitude, may restrict Vertex from effectively manufacturing, marketing and selling its products or services. In addition, negative publicity and product liability claims resulting from any adverse regulatory action could have a material adverse effect on Vertex's business, operating results and financial condition.

Vertex is subject to a number of health, safety and environmental laws and regulations that may require it to make substantial expenditures or cause it to incur substantial liabilities.

Vertex is subject to increasingly stringent and complex federal, provincial, state and local laws and regulations relating to the importation, release, transport, handling, storage, disposal, use of and exposure to hazardous and radioactive materials, and the protection of workers and the environment, including laws and regulations governing occupational health and safety standards, air emissions, chemical usage, water discharges, waste management and plant and wildlife protection. Vertex incurs, and expects to continue to incur, significant capital, managerial and operating costs to comply with such health, safety and environmental laws and regulations. Violation of these laws and regulations could lead to loss of accreditation, damage to Vertex's social license to operate, loss of access to markets and substantial fines and penalties which could have a material adverse effect on Vertex's business, financial condition, results of operations and cash flows.

Vertex uses and generates hazardous substances and wastes in its operations. Because Vertex provides services to companies producing oil and natural gas and involved in mining activities, it may also become subject to claims relating to the release of such substances into the environment. Some environmental laws and regulations provide for joint and several strict liabilities related to spills and releases of hazardous substances for damages to the environment and natural resources or threats to public health and safety. Strict liability can render a potentially responsible party liable for damages irrespective of negligence or fault. Accordingly, Vertex could become subject to potentially material liabilities relating to the investigation and cleanup of contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances. In addition, stricter enforcement of existing laws and regulations, new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require Vertex to incur costs or become the basis of new or increased liabilities that could reduce its earnings and cash available for operations.

Vertex may fail to realize anticipated benefits of future acquisitions.

Vertex may in the future complete acquisitions to strengthen its position in the industries it competes in and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as Vertex's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own. The integration of acquired businesses requires the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may have a material adverse effect on Vertex's ability to achieve the anticipated benefits of these and future acquisitions.

Vertex's indebtedness, including any accelerated repayment of such indebtedness, could adversely affect its financial flexibility and its competitive position.

The degree to which Vertex is leveraged could have important consequences on its business, including: (i) Vertex's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (ii) all or part of Vertex 's cash flow from operations may be dedicated to the payment of the principal of and interest on Vertex's indebtedness, thereby reducing funds available for future operations or for dividends to shareholders; (iii) Vertex's borrowings are at variable rates of interest, which exposes Vertex to the risk of increased interest rates; (iv) Vertex may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures; (v) Vertex's flexibility in planning for, or reacting to, changes in its business and the industries in which it operates may be limited; and (vi) Vertex may be placed at a disadvantage compared to its competitors that have less debt. These factors could have a material adverse effect on Vertex's business, financial condition, results of operations and cash flows.

The terms and conditions of Vertex's borrowing arrangements permit the lenders to require accelerated or immediate repayment of some or all of the indebtedness in certain circumstances, which may or may not be within Vertex's control. If Vertex is required to make accelerated payments for any reason, Vertex may not have sufficient funds available and may not be able to raise sufficient funds to make such accelerated payments, which could have a material adverse effect on Vertex's business, financial condition and ability to operate as a going concern.

<u>The industries in which Vertex operates are very competitive.</u>

The environmental and industrial service industries are highly competitive and rapidly changing. Vertex may be significantly affected by new product introductions and geographic expansion by existing competition. Barriers to entry into this market may be relatively low, and Vertex expects that competition will intensify in the future. Specific factors upon which the Company competes include, but are not limited to, functionality of its products, ease of use, timing for implementation, quality of support and services and price. Vertex's potential competitors include other companies providing environmental and land consulting services, fluid hauling and management services, industrial insulation services, industrial cleaning services and equipment rentals. Many of these potential competitors have significantly greater financial, technical, marketing and other resources than Vertex. Many of them also have longer operating histories, greater name recognition and stronger relationships with merchants and consumers. Vertex may not be able to compete successfully with these competitors.

<u>Downturns in general economic and market conditions may reduce demand for Vertex products and services and could negatively affect Vertex's revenue, operating results and cash flow.</u>

Recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to Vertex or to Vertex's industry could have a material adverse effect on Vertex over the course of time. Volatility in the market could hurt Vertex's ability to raise capital. Potential price inflation caused by an excess of liquidity in countries where Vertex conducts business may increase the costs incurred to manufacture and sell Vertex's products or provide Vertex's services and may reduce Vertex's profit margins. As a result of downturns in general economic and market conditions, potential customers may not be interested in purchasing Vertex's products, or suppliers with which Vertex has relationships may increase the prices at which they supply component parts. Any of these events, or other events caused by turmoil in world financial markets may have a material adverse effect on Vertex's business, operating results and financial conditions.

<u>Vertex's operations are subject to operational hazards and unforeseen interruptions for which Vertex may not be adequately insured.</u>

Vertex's operations are exposed to potential natural disasters, including blizzards, tornadoes, storms, floods, other adverse weather conditions, fires and earthquakes. If any of these events were to occur, Vertex could incur substantial losses because of personal injury or loss of life, severe damage to and destruction of property and equipment, and pollution or other environmental damage resulting in curtailment or suspension of Vertex's operations.

Vertex is not fully insured against all risks incident to its business, including the risk of Vertex's business operations being interrupted due to severe weather and natural disasters. Furthermore, Vertex may be unable to maintain or obtain insurance of the type and amount Vertex desires at reasonable rates. As a result of market conditions, premiums and deductibles for certain of Vertex's insurance policies could increase in the future. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. If Vertex were to incur a significant liability for which Vertex is not fully insured, it could have a material adverse effect on Vertex's business, results of operations and financial condition.

<u>Positive covenants in Vertex's material contracts could limit its ability to operate and failure to perform such positive covenants could adversely affect Vertex.</u>

Vertex is a party to a number of material contracts that impose affirmative duties on Vertex. The requirement of Vertex to comply with such affirmative duties could have an adverse effect on Vertex's operations from time to time, as these requirements may divert labor and capital from other profit generating initiatives. Complying with affirmative covenants could also hinder Vertex's ability to sell or transfer certain property or undertake certain capital expenditures that would otherwise be deemed to be in the best interests of Vertex. Furthermore, if Vertex was unable to meet the requirements of such affirmative duties it could lead to adverse consequences, including, but not limited to, Vertex being noted in default under a material contract. If Vertex were to be noted in default under a material contract and Vertex was unable to remedy such default in a given time, the material contract could be terminated. Therefore, there can be no assurance that the material contracts to which Vertex is a party will not be terminated.

Vertex is exposed to third party 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. Vertex is exposed to credit risk from customers. This risk is elevated in the current year similar to the prior year due to the impact of the current economy on its customers. Vertex's maximum exposure is the value of its accounts receivable. However, to mitigate this risk Vertex regularly reviews customer credit limits. Vertex has accounts receivable from customers in the oil and gas industry, as well as the utilities and infrastructure industries and government agencies. 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. Vertex monitors accounts receivable as is necessary to identify any amounts which are past due and considers if they are impaired. This assessment is done on an invoice by invoice basis.

Greenhouse gas ("GHG") regulations may impact Vertex's business.

The oil and natural gas industry's exploration and production facilities and other operations and activities emit GHGs and both oil and gas exploration and production ("E&P") companies and oilfield services providers may be required to comply with GHG emissions legislation in Canada, the U.S. and in other jurisdictions in which they operate. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. As a signatory to the United Nations Framework Convention on Climate Change ("UNFCCC") and as a participant to the Copenhagen Agreement (a non-binding agreement created by the UNFCCC), the Government of Canada announced on January 29, 2010 that it will seek a 17% reduction in GHG emissions from 2005 levels by 2020. These GHG emission reduction targets are not binding. In May 2015, Canada submitted its Intended Nationally Determined Contribution ("INDC") to the UNFCCC, ahead of the 2015 United National Climate Change Conference ("COP 21"), held in Paris. As a result, the Government of Canada will replace the 17% reduction target established in the Copenhagen Agreement with INDC of 30% reduction below 2005 levels by 2030. INDCs were communicated prior to the COP 21 and constitute the actions and targets that individual countries will undertake to help keep global temperatures from rising more than 2° Celsius and to pursue efforts to limit below 1.5° Celsius. The UNFCCC adopted the Paris Agreement on December 12, 2015.

In addition, on December 9, 2016, the Government of Canada formally announced the Pan-Canadian Framework on Clean Growth and Climate Change. As a result, the federal government will implement a Canada wide carbon pricing scheme beginning in 2018. This may be implemented through either a cap and trade system or a carbon tax regime at the option of each province or territory. The federal government will impose a price on carbon of $10 per tonne on any province or territory which fails to implement its own system by 2018. This amount will increase by $10 annually until it reaches $50 per tonne in 2022 at which time the program will be reviewed.

On November 22, 2015, the Government of Alberta announced its Climate Leadership Plan which proposed, among other things, to introduce a carbon tax on all emitters. On June 13, 2016, the *Climate Leadership Act* was enacted introducing an initial economy-wide levy of $20 per tonne effective January 1, 2017, and increasing to $30 per tonne in January of 2018. All fuel consumption — including gasoline and natural gas — will be subject to the levy, with certain exemptions. A similar carbon tax has been in place in British Columbia since 2008 pursuant to the Carbon Tax Act. Pursuant to Alberta's Oil Sands Emission Limit Act, enacted on December 14, 2016, a 100 megatonne per year limit for GHG emissions associated with oil sands operations was implemented. Such operations currently emit roughly 70 megatonnes per year. Where large industrial emitters are concerned (100,000+ tonnes of GHGs per year), Alberta's *Specified Gas Emitters Regulation* ("SGER") was replaced at the end of 2017 with the *Carbon Competitiveness Incentive Regulation* ("CCIR"), in which sector specific output-based carbon allocations will be used to ensure competitiveness, and further allows competitively impacted facilities which would otherwise not be subject to the SGER or CCIR to opt-in to the CCIR, in lieu of existing carbon levy obligations noted above. The CCIR requires reductions in GHG emissions intensity (e.g. the quantity of GHG emissions per unit of production) from emissions intensity baselines established for a particular product or sector in accordance with the CCIR. Regulated emitters are required to reduce their emissions intensity in accordance with established benchmarks under the CCIR, or assigned benchmarks for specific facilities. Compliance can be achieved through a combination of the following: (1) reducing emissions; (2) purchasing emissions offset credits from non-regulated emitters (generated through activities that result in emissions reductions in accordance with established protocols); (3) purchasing emissions performance credits from other regulated emitters that earned credits through the reduction of their emissions below the 100,000 tonne threshold; or (4) contributing to the Climate Change and Emissions Management Fund at a rate of $30 per tonne of GHG emissions. As of January 1, 2018, emissions performance credits and emissions offsets are subject to limits on annual usage for compliance obligations and are subject to expiry periods of up to eight years. Additionally, the Alberta government has set a target of reducing methane emissions from oil and gas operations by 45% by 2025, which will be achieved through new emission design standards for new facilities, a five-year voluntary methane reduction initiative and regulated mandatory standards starting in 2020.

In British Columbia, the *Greenhouse Gas Reduction Targets Act* (“GGRTA”) sets aggressive legislated targets for reducing greenhouse gases. Under the GGRTA, GHG emissions are to be reduced by at least 33% below 2007 levels by 2020 and 80% below 2007 by 2050. In addition to the economy-wide carbon tax, BC appears inclined to adopt a cap and trade program for GHG emissions and has passed legislation that would impose GHG emissions limits and permit emission offset projects under the *Greenhouse Gas Industrial Reporting and Control Act*, which currently only applies limits to liquefied natural gas operations.

In recent years, the United States Congress has considered legislation to reduce emissions of GHGs, including methane, a primary component of natural gas, and carbon dioxide, a by-product of the burning of natural gas. It presently appears unlikely that comprehensive climate legislation will be passed by either house of Congress or signed by the President in the near future, although energy legislation and other regulatory initiatives are expected to be proposed that may be relevant to GHG emissions issues. In addition, a number of states are addressing GHG emissions, primarily through the development of emission inventories or regional GHG cap and trade programs.

Independent of Congress, the U.S. Environmental Protection Agency (the “EPA”) has adopted regulations controlling GHG emissions under its existing authority under the United States *Clean Air Act* (the “CAA”). For example, following its findings that emissions of GHGs present an endangerment to human health and the environment because such emissions contributed to warming of the earth’s atmosphere and other climatic changes, the EPA has adopted regulations under existing provisions of the CAA that, among other things establish construction and operating permit reviews for GHG emissions from certain large stationary sources that are already potential major sources for conventional pollutants. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified production, processing, transmission and storage facilities in the United States on an annual basis.

Furthermore, in December 2015, at COP 21, like Canada the U.S. became a signatory to the Paris Agreement which has set broad goals to, among other things, limit global climate change to not more than 2° Celsius (or less), preparing, maintaining and publishing national greenhouse gas reduction targets and creating a “carbon-neutral” world by 2050. The agreement came into force on November 4, 2016, however U.S. President Donald Trump announced on June 1, 2017 that the U.S. would cease all participation in the Paris Agreement. Although it is not possible at this time to predict how new laws or regulations in the U.S. and Canada, or any legal requirements imposed following Canada agreeing to the Paris Agreement that may be adopted or issued to address GHG emissions would impact Vertex’s business, any such future laws, regulations or legal requirements imposing reporting or permitting obligations on, or limiting emissions of GHGs from, the Company’s equipment and operations could require it to incur costs to reduce emissions of GHGs associated with its operations as well as delays or restrictions in its ability to permit GHG emissions from new or modified sources. Such changes could also decrease the activity of the Company’s clients.

The direct or indirect costs of compliance with these regulations may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. Any such regulations could also increase the cost of consumption, and thereby reduce demand for the oil, natural gas liquids and natural gas the Company’s clients produce.

Given the evolving nature of the debate related to climate change and the control of GHGs and resulting requirements, it is not possible to predict with certainty the impact on the Company and its operations and financial condition.

There has been public discussion that climate change may be associated with extreme weather conditions such as more intense hurricanes, thunderstorms, tornados and snow or ice storms, as well as rising sea levels. Another possible consequence of climate change is increased volatility in seasonal temperatures. Some studies indicate that climate change could cause some areas to experience temperatures substantially colder than their historical averages. Extreme weather conditions can interfere with the Company's operations and the operations of its clients and increase the Company's costs, and damage resulting from extreme weather may not be insured. However, at this time, the Company is unable to determine the extent to which climate change may lead to increased storm or weather hazards affecting its operations.

Conservation Measures and Technological Advances may reduce demand for hydrocarbons.

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other hydrocarbons. The Company cannot predict the impact of changing demand for oil and natural gas products, and any major changes could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Loss of Vertex's information and computer systems or cyber-attacks could adversely affect Vertex's business.

Vertex is dependent on its information systems and computer-based programs, including its well operations information, seismic data, electronic data processing and accounting data. If any of such programs or systems were to fail or create erroneous information in Vertex's hardware or software network infrastructure, possible consequences include a loss of communication links and inability to automatically process commercial transactions or engage in similar automated or computerized business activities. Any such consequence could have a material adverse effect on Vertex's business. Vertex is exposed to the risk of cyber-attacks or similar incidents in the normal course of business. Cyber-attacks or similar incidents may result in the theft or dissemination of intellectual property or other sensitive information in a manner adverse to Vertex. Vertex's information technology systems may be vulnerable to interruption due to a variety of events beyond Vertex's control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Technology security initiatives and disaster recovery plans that are put into place to mitigate Vertex's risk to these vulnerabilities may not be sufficient to ensure that Vertex's operations are not disrupted. Potential consequences of a material cyber-attack or similar incident include damage to Vertex's reputation, disruption of operations, diminished value of intellectual property, litigation and increased cyber security protection and remediation costs.

Some of Vertex's directors and officers have conflicts of interest as a result of their involvement with other companies in Vertex's industries.

Certain of Vertex's directors and officers are also directors and officers of other companies in industries in which Vertex operates, and conflicts of interest may arise between their duties as officers and directors of Vertex and as officers and directors of such other companies. To the extent that such other companies may participate in ventures in which Vertex may participate, or in ventures in which Vertex may seek to participate, Vertex's directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where Vertex's directors and officers have an interest in other companies, such other companies may also compete with Vertex in order to provide services to clients. Such conflicts of Vertex's directors and officers may result in a material and adverse effect on Vertex's profitability, results of operations and financial condition. As a result of these conflicts of interest, Vertex may miss the opportunity to participate in certain transactions, which may have a material adverse effect on Vertex's financial position.

Currency exchange rate fluctuations could adversely affect Vertex's operating results.

Vertex is exposed to the effects of fluctuations in currency exchange rates. Since Vertex conducts some of its business in currencies other than Canadian dollars but reports its operating results in Canadian dollars, it faces exposure to fluctuations in currency exchange rates. Consequently, exchange rate fluctuations between the Canadian dollar and other currencies could have a significant impact on Vertex's operating results.

The price of the Company's Common Shares could be volatile.

Factors such as announcements of quarterly variations in operating results or new initiatives, innovations or contracts by competitors or clients of Vertex, changes in financial estimates by securities analysts, market conditions in general as well as other events or factors, many of which will be beyond Vertex's control, may have a significant impact on the market price of the Common Shares. The stock market and the commodities market have, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular companies. In addition, there can be no assurance that an active public market will develop or be sustained for the Common Shares.

DIVIDENDS

Currently, Vertex does not intend on paying dividends until the underlying business generates sufficient cash flow to fund the Company's growth strategy. Dividends and the dividend policy of the Company will be reviewed by the board of directors of the Company (the "Board of Directors") and adjusted from time to time to reflect the current business conditions. See "*Risk Factors*" for a discussion of various risks that may impact the ability of the Company to pay dividends.

DESCRIPTION OF CAPITAL STRUCTURE

Vertex is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares ("Preferred Shares"). As at the date of this AIF, 93,413,124 Common Shares were issued and outstanding.

The holders of Common Shares are entitled to one vote in respect of each Common Share held at any meetings of the shareholders of Vertex. The holders of Common Shares are entitled to receive, and Vertex shall pay out of funds of Vertex properly applicable to the payment of dividends, only those dividends in such amounts as may be declared in the absolute discretion of the Board of Directors from time to time in respect of the Common Shares. In the event of dissolution of Vertex, each of the holders of the Common Shares shall be entitled to receive the remaining property of the Company in equal rank with the holders of all other Common Shares of the Company. Common Shares do not provide the holders thereof with any special rights, privileges restrictions or conditions other than as set out above or otherwise provided by statute.

The Preferred Shares may be issued from time to time in one or more series, each consisting of a number of Preferred Shares as determined by the board of directors of Vertex which also may fix the designation, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares including, without limitation, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion if any, and any sinking fund or other provisions. The Preferred Shares of each series shall, with respect to payment of dividends and distributions of assets in the event of liquidation, dissolution or winding-up of Vertex or any other return of capital or distribution of the assets of Vertex among its shareholders for the purpose of winding-up its affairs, shall be entitled to preference over the Common Shares and the shares of any other class ranking junior to the Preferred Shares. If any cumulative dividends or amounts payable on return of capital in respect of a series of Preferred Shares are not paid in full, all series of Preferred Shares shall participate rateably in respect of accumulated dividends and return of capital.

Other than the rights and restrictions noted in this AIF and the applicable provisions of the ABCA, the securities of Vertex do not provide for any conversion or exchange rights; redemption, retraction, purchase for cancellation or surrender provisions; sinking or purchase fund provisions; provisions permitting or restricting the issuance of additional securities or any other material restrictions; nor do they require shareholders to contribute additional capital.

MARKET FOR SECURITIES, TRADING PRICE AND VOLUME

The following table sets forth the reported high and low sales prices and the trading volumes of Vertex's Common Shares, as reported by the Exchange, for the periods indicated:

2018	Price Range		Trading Volume
	High	Low	
January	$0.53	$0.45	243,060
February	$0.50	$0.38	114,550
March	$0.50	$0.44	212,119
April	$0.47	$0.44	156,290
May	$0.46	$0.43	208,325
June	$0.72	$0.44	1,020,160
July	$0.80	$0.60	373,006
August	$0.68	$0.57	98,450
September	$0.60	$0.50	98,040
October	$0.75	$0.51	76,544
November	$0.52	$0.36	269,336
December	$0.46	$0.31	77,350

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

An aggregate of 22,774,350 Common Shares are being held in escrow with TSX Trust Company (the "Escrow Agent") under the terms of the escrow agreement among Vertex, the Escrow Agent and certain shareholders of Vertex entered into upon completion of the Transaction (the "Surplus Security Escrow Agreement") pursuant to the policies of the Exchange. An aggregate of 5,091,441 Common Shares are being held in escrow with Vertex's legal counsel under the terms of the escrow agreement dated May 31, 2017 between Old Vertex, the former shareholders of The Barlon Engineering Group Ltd. ("Barlon") and Vertex's legal counsel (the "Barlon Escrow Agreement") and the escrow agreement dated July 1, 2017 entered into among Old Vertex, the former shareholders of Kinetichem Corp. ("Kinetichem") and Vertex's legal counsel (the "Kinetichem Escrow Agreement"). The Common Shares being held in escrow are set out in the following table:

Name and Municipality of Residence of Securityholder	Class of Securities	After Giving Effect to the Transaction	
		Number of Common Shares to be held in Escrow	Percentage of Class(1)
Brian Butlin(2)(3) *Edmonton, Alberta*	Common Shares	4,029,484	4.31%
Terry Stephenson(2)(3) *Sherwood Park, Alberta*	Common Shares	5,585,622	5.98%
Clemett Capital Corp. (4) *Calgary, Alberta*	Common Shares	6,295,263	6.55%

Name and Municipality of Residence of Securityholder	Class of Securities	After Giving Effect to the Transaction	
		Number of Common Shares to be held in Escrow	Percentage of Class[(1)]
Paul Blenkhorn[(2)] *Calgary, Alberta*	Common Shares	113,772	0.12%
Deon Walsh[(2)] *Regina, Saskatchewan*	Common Shares	15,200	0.02%
Sherry Bielopotocky[(2)] *Sherwood Park, Alberta*	Common Shares	21,714	0.02%
Howard Start[(2)] *Sherwood Park, Alberta*	Common Shares	77,347	0.08%
32 Degrees[(2)] *Calgary, Alberta*	Common Shares	6,716,425	7.19%
Former VIER Shareholders[(5)]	Common Shares	96,250	0.10%
Former Barlon Shareholders[(6)]	Common Shares	2,931,432	3.14%
Former Kinetichem Shareholders[(7)]	Common Shares	1,983,282	2.12%
TOTAL[(8)]		37 escrowed shareholders	29.6%

Notes:
(1) On a non-diluted basis.
(2) Common Shares held by these securityholders are subject to the Surplus Security Escrow Agreement. Does reflect the initial release of 25% of the escrowed shares on the date of the Exchange bulletin as issued on October 16, 2017.
(3) An aggregate of 2,197,206 Warrants (1,098,603 Warrants held by each of Brian Butlin and Terry Stephenson) and the aggregate of 2,197,206 Common Shares issued upon exercise of such Warrants will be subject to the Surplus Security Escrow Agreement.
(4) 13,766,707 of the Common Shares held by this securityholder are subject to the Surplus Security Escrow Agreement and the remaining 176,727 Common Shares held by this securityholder are subject to the Kinetichem Escrow Agreement.
(5) Common Shares held by these securityholders are subject to the CPC Escrow Agreement (as defined below). Does reflect the initial release of 25% of the escrowed shares on the date the Exchange bulletin was issued on October 16, 2017.
(6) The Common Shares held by these securityholders are subject to the Barlon Escrow Agreement.
(7) The Common Shares held by these securityholders are subject to the Kinetichem Escrow Agreement. Does not include the 176,727 Common Shares held by Clemett Capital Corp. that are subject to the Kinetichem Escrow Agreement.
(8) Percentage columns may not add due to rounding.

The Company met the Exchange's Tier 1 initial listing requirements. As a result, in accordance with the terms of the escrow agreement dated January 27, 2015 entered into among VIER, the Escrow Agent and certain shareholders of VIER (the "CPC Escrow Agreement"), 25% of the escrowed shares under the CPC Escrow Agreement were released from escrow on October 18, 2017, 25% were released on April 18, 2018 and 25% were released on October 18, 2018. The remaining 25% of the escrowed shares under the CPC Escrow Agreement will be released on April 18, 2019. In accordance with the terms of the Surplus Security Escrow Agreement, 10% of the escrowed shares were released from escrow on October 18, 2017, 20% were released on April 18, 2018 and 30% were released on October 18, 2018. The final 40% of the escrowed shares under the Surplus Security Escrow Agreement will be released on April 18, 2019. The automatic release mechanics under the Surplus Security Escrow Agreement will terminate if the asset, business or property for which Common Shares were issued as consideration is lost or abandoned, or the operations or development of the asset, business or property are discontinued.

The Common Shares issued to the shareholders party to the Barlon Escrow Agreement and the Kinetichem Escrow Agreement will continue to be held in escrow in accordance with such agreements following the Transaction. The escrowed shares subject to the Barlon Escrow Agreement shall be released 50% on May 31, 2019 and 50% on May 31, 2020. The escrowed shares subject to the Kinetichem Escrow Agreement shall be released: (i) as to a portion in each of 2018, 2019 and 2020, if Vertex achieves specified adjusted EBITDA targets in each of the years ended December 31, 2017, 2018 and 2019 or a cumulative adjusted EBITDA target for the three years ended December 31, 2019; (ii) as to any balance still held in escrow in 2020 if Vertex achieves a specified cumulative adjusted EBITDA target for the three years ended December 31, 2017, 2018 and

2019; and (iii) any balance still held in escrow on January 31, 2020 shall be returned to Vertex for cancellation. As of the date of this AIF, the Company did not release the second tranche of shares from escrow as the Company did not achieve its EBITDA target in December 31, 2018.

DIRECTORS AND OFFICERS

Name and Municipality of Residence	Positions and Offices to be Held	Principal Occupation During the Past Five Years (6)	Common Shares Owned, Beneficially Held or Controlled (7)(8)	Director or Officer of Vertex Since
Brian Butlin *Edmonton, Alberta*	Director and Chairman	Brian Butlin was Chairman and Chief Executive Officer of Flint Energy Services Ltd. from 1992 to 2001 and Chief Executive Officer from 2001 to 2005, remaining a director until 2007 and has since acted as a director for other private companies.	10,073,709 Shares (10.78%)	February 6, 2007
Terry Freeman(2) *Edmonton, Alberta*	Director	Terry Freeman has been Head of Investments of ATB Investments Capital since January 2016, has been Chairman of CASL since 2011, Managing Director of Northern Plains Capital from 2007 to 2012, and was previously director & Chief Financial Officer of Flint Energy Services Ltd.	Nil	June 2, 2013
Trent Baker(3)(8) *Calgary, Alberta*	Director	Trent Baker has been a Managing Partner of 32 Degrees Capital since 2007.	Nil	March 1, 2016
Stuart O'Connor(1), (4) *Calgary, Alberta*	Director	Co-founder & Chairman of Fitzroy Developments Ltd. and co-founder and Director of Arcurve Inc. Previously President and Chief Executive Officer of Merak Projects Ltd, and was Director and Chairman of Flint Energy Services Ltd. from 1998-2012. Past Partner at Bennett Jones LLP.	Nil	October 16, 2017
Terry Stephenson(5) *Sherwood Park, Alberta*	Director, President and Chief Executive Officer	Terry Stephenson has been the President of Vertex since 2005.	14,359,528 Shares (15.37%)	April 4, 2005
Michael Zvonkovic *Edmonton, Alberta*	Chief Financial Officer and Corporate Secretary	Michael Zvonkovic was an Executive Financial Consultant from November 2009 to August 2017. Mr. Zvonkovic was also Executive Vice President and Chief Financial Officer of FIRMA Foreign Exchange Corporation from September 2012 to June 2016.	167,000 Shares (0.18%)	September 1, 2017
Paul Blenkhorn *Calgary, Alberta*	Vice President, Consulting Services	Paul Blenkhorn has been the Vice President, Consulting of Vertex since 2006.	310,430 Shares (0.33%)	June 1, 2006
Deon Walsh *Regina, Saskatchewan*	Vice President, Environmental Services	Deon Walsh has been the Vice President, Environmental Services of Vertex since February 2016. Until October 2015, Mr. Walsh was the Senior Vice President Oilfield Services for North America of AECOM.	38,000 Shares (0.04%)	February 8, 2016

Name and Municipality of Residence	Positions and Offices to be Held	Principal Occupation During the Past Five Years (6)	Common Shares Owned, Beneficially Held or Controlled (7)(8)	Director or Officer of Vertex Since
Sherry Bielopotocky *Sherwood Park, Alberta*	Vice President, Corporate Services	Sherry Bielopotocky has been the Vice President, Corporate Services of Vertex since 2015, prior to which Ms. Bielopotocky was a Corporate Controller at Vertex.	54,287 Shares (0.06%)	April 1, 2005
Howard Start *Sherwood Park, Alberta*	Vice President, Finance	Howard Start has been the Vice President, Finance of Vertex since 2007.	248,367 Shares (0.23%)	October 1, 2007

Notes:
(1) Chair of the Governance, HSE and Compensation Committee.
(2) Chair of the Audit Committee.
(3) Member of the Audit Committee. Notwithstanding that Mr. Baker is a representative of 32 Degrees Capital, the Vertex Board of Directors has determined he is independent within the meaning of National Instrument 52-110 – Audit Committees and National Instrument 58-201 – Corporate Governance Guidelines.
(4) Member of the Governance, HSE and Compensation Committee.
(5) Member of the Audit Committee.
(6) For a complete description of the directors, officers and other management personnel of the Company, see "*Directors and Officers*" below.
(7) All percentages are on a non-diluted basis and include shares held directly and indirectly, or over which control or direction is exercised.
(8) Mr. Baker is a Managing Partner of 32 Degrees Capital and is a representative of 32 Degrees Capital, which is a principal securityholder that holds an aggregate of 16,891,061 Common Shares (18.60%).

As of December 1, 2018, Mr. Clemett ceased to be the Executive Vice President of the Company, but remained on as a contractor to the Company. Mr. Clemett owns 15,526,705 shares of Vertex and they are registered in the name of Clemett Capital Corp., of which Mr. Clemett is the Director, President and sole shareholder.

Each director will hold office until the next annual meeting of the shareholders at which time any or all of the directors may be elected to hold office for a term expiring no later than the close of the next annual meeting of the shareholders. All of the officers are full time employees of Vertex.

Biographies

The following are biographies of the directors and officers of Vertex:

Brian Butlin – Director

Brian Butlin, age 68, has been Chairman of the Vertex board of directors since February 6, 2007. As Chairman of the Vertex board of directors, Mr. Butlin provides vision, mentorship and leadership to the Vertex management team.

Previously, Mr. Butlin was the Chairman and Chief Executive Officer of Flint Energy Services Ltd. ("Flint"), a publicly traded energy company, until 2007 and 2005, respectively. Under his guidance, Flint grew from a small Canadian oilfield services firm to a public corporation with over 7,500 employees, 49 North American locations and $1 billion of revenues. During Mr. Butlin's 25-year tenure at Flint and its predecessor company, HMW Construction Ltd., he led the acquisition of over 29 companies and the listing of Flint on the Toronto Stock Exchange.

Mr. Butlin is currently a Director of The Crossing Company. Previously, Mr. Butlin was a Director of the Edmonton Eskimo's Football Club, Graham Construction Ltd., Derrick Golf & Winter Club and past Chairman of the Northern Alberta Institute of Technology.

Mr. Butlin holds a Bachelor of Science degree in Business Administration from the Michigan Technological University.

Terry Freeman – Director

Terry Freeman, age 58, is currently Head of Investments for ATB Capital, a private equity firm making minority equity investments in Alberta based companies.

In the past, Mr. Freeman has served as Managing Director of Northern Plains Capital, a niche private equity firm specializing in growth-oriented oil field services and energy industrial investments. Founded in 2005, Northern Plains Capital had $140 million under management in three funds and made 17 investments in various companies. As a Managing Director, Mr. Freeman was responsible for sourcing investments and investors, driving strategy, value creation and eventual exits for investments and corporate governance at a Board of Directors level. Terry also spent fifteen years as Chief Financial Officer of Flint and its predecessors, where he managed the financial and administrative operations of the company including investor and banking relations, risk management, mergers and acquisitions and various other executive responsibilities including acting as Corporate Secretary. He spent five years on the board of Flint after his tenure as Chief Financial Officer until its eventual sale. He currently sits on the boards of a number of private construction, energy services, and private equity and real estate ventures as well as on the board of directors of McCoy Global Inc. and Phoenix Technology Services, which are publicly traded companies.

In addition to these roles, Mr. Freeman has held multiple volunteer positions with the Chartered Professional Accountants of Alberta, Chief Financial Officer Leadership Program, the University of Alberta, and various other community and charitable organizations.

Mr. Freeman graduated from the University of Alberta with a Bachelor of Commerce degree, is a Fellow of the Chartered Professional Accountants of Alberta and holds the ICD.D designation from the Institute of Corporate Directors.

Trent Baker – Director

Trent Baker, age 37, is a managing partner for 32 Degrees Capital, a private equity firm focused on investing in Canadian oil and gas opportunities with approximately $200 million under management. Mr. Baker has been with the firm since 2007, and is responsible for deal sourcing, driving strategy and value creation, investment due diligence, and investor relations.

Prior to joining 32 Degrees Capital, Mr. Baker worked in the audit department of KPMG LLP. He currently serves on the board of directors of CORE Linepipe Inc., Sphere Energy Corp. and Vertex Downhole Inc. and has previously served on the board of directors of a number of companies.

Mr. Baker holds a Bachelor of Commerce degree from Queen’s University, is a member of the Chartered Professional Accountants of Alberta and is a CFA charter holder.

Stuart O’Connor – Director

Mr. O’Connor, age 58, is currently the President of Timber Ridge Capital Ltd., a private holding and advisory company.

In the past, Mr. O’Connor has served as a Director and as Chairman of Flint, Director of IROC Energy Services Corp., President and Chief Executive Officer of Merak Projects Ltd., a software company focused on the international oil and gas industry, and as a Partner with Bennett Jones LLP, a national law firm where he practiced corporate and securities law. He currently sits on the boards of a number of private construction, software services, and real estate ventures.

Mr. O’Connor is also active in the community and currently serves with various organizations including on the Board of Directors of the Calgary Stampede and of Hull Services.

Mr. O’Connor holds a Bachelor of Science (Chemical Engineering) degree from University of Calgary and a Bachelor of Laws degree from Queen’s University in Kingston, Ontario.

Terry Stephenson – Director, President and Chief Executive Officer

Terry Stephenson, age 44, founded and became President of Vertex in 2005. As President, Mr. Stephenson is responsible for Vertex's day-to-day operations.

Mr. Stephenson began his career with KPMG LLP gaining experience in audit, due diligence, valuations and taxation, where he advanced to Manager with a heavy clientele of construction clients. Mr. Stephenson joined Flint as the Director of Finance, where he was responsible for merger and acquisition transaction structure, support and execution along with public company compliance, tax planning and treasury management. In 2005, Mr. Stephenson founded Blackjack Investments Ltd., a privately held investment company focused on investments in the energy and resources sector.

Mr. Stephenson holds a Bachelor of Commerce degree from the University of Alberta and is a Chartered Professional Accountant.

Michael Zvonkovic – Chief Financial Officer and Corporate Secretary

Michael Zvonkovic, age 41, became Chief Financial Officer and Corporate Secretary of Vertex on September 1, 2017. Mr. Zvonkovic is responsible for all financial matters for Vertex including finance, accounting, risk management, forecasting, and information technology operations.

Prior to his position with Vertex, Mr. Zvonkovic was an Executive Financial Consultant with MMZ Professional Services from 2009 to 2017. Mr. Zvonkovic also held the positions of Executive Vice President and Chief Financial Officer with FIRMA Foreign Exchange Corporation from 2012 to 2016. Mr. Zvonkovic was the Vice President, Financial Reporting and Vice President, Finance of The Cash Store Financial Services Inc., a Toronto Stock Exchange and New York Stock Exchange listed issuer, from 2007 to 2012.

Mr. Zvonkovic holds a Bachelor of Commerce degree, with Distinction, from the University of Alberta and is a Chartered Professional Accountant.

Paul Blenkhorn – Vice President, Consulting Services

Paul Blenkhorn, age 42, has been Vice President, Consulting Services of Vertex since 2006. Mr. Blenkhorn is responsible for the day-to-day operation of the consulting division of Vertex.

Mr. Blenkhorn began his career with Hood Packaging Corporation, a privately held manufacturing company in the paper converting and packing industry. At Hood Packaging Corporation, Mr. Blenkhorn gained experience in process improvement, capital investment, technical sales support, product development in a wide array of business efficiency and improving initiatives. Mr. Blenkhorn joined Pioneer Land Services Ltd. in 2006, as a project engineer but quickly became responsible for the development and growth of their environmental division.

Mr. Blenkhorn holds a Bachelor of Engineering Science degree from the University of Western Ontario and is a Professional Engineer, registered in both Alberta and Saskatchewan. Mr. Blenkhorn came to Calgary in 2000, after being drafted by the Calgary Stampeders. Mr. Blenkhorn remains active in the community, supporting the Stampeders alumni association and the United Way of Calgary.

Deon Walsh – Vice President, Environmental Services

Deon Walsh, age 52, has been Vice President, Environmental Services of Vertex since February 2016. Mr. Walsh is responsible for the day-to-day operations of the industrial cleaning, safety and environmental services operations of Vertex.

With over 25 years of industrial maintenance and fluid services experience, Mr. Walsh was previously Senior Vice President Oilfield Services for North America with AECOM, a global infrastructure firm. Mr. Walsh served AECOM and its predecessors since 1993. Prior to 1993, Mr. Walsh was with CEDA International Corporation in Fort McMurray as Area Supervisor for industrial cleaning, maintenance and turnarounds.

Mr. Walsh is a graduate of the Queen's School of Business Executive Program and has successfully completed the Corporate Executive Program at the University of Alberta School of Business.

Sherry Bielopotocky – Vice President, Corporate Services

Sherry Bielopotocky, age 39, joined Vertex in 2005 as a Corporate Controller and was appointed Vice President, Corporate Services in 2015. Ms. Bielopotocky is responsible for Vertex's financial management, which includes budgeting, planning, risk management, operational reporting, human resources and all administrative functions at Vertex.

Prior to joining Vertex, Ms. Bielopotocky began her career with Flint as a corporate accountant where she was responsible for maintaining all of the financial records of the organization. Ms. Bielopotocky has extensive experience in acquisitions and integrations and has a strong background in construction and the oil and gas industry.

Ms. Bielopotocky holds a Bachelor of Applied Business Administration - Accounting degree from the Northern Alberta Institute of Technology and is a Certified Professional Accountant.

Howard Start – Vice President, Finance

Howard Start, age 47, has been Vice President, Finance of Vertex since 2007. Mr. Start is responsible for treasury management and banking relationships, shareholder and board, financial reporting, forecasting and tax compliance and planning.

Prior to joining Vertex, Mr. Start worked as a Senior Manager at KPMG LLP in Edmonton for ten years where he provided audit and advisory services, tax compliance and planning services to customers in the construction, manufacturing, and energy sectors.

Mr. Start is currently the Treasurer of the Sherwood Park Archery Club and a minor sport coach. Mr. Start holds a Bachelor of Commerce degree from the University of Alberta and is a Chartered Professional Accountant.

Share Ownership by Directors and Officers

As at December 31, 2018, the directors and officers of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, 42,265,882 Common Shares, representing approximately 45.2% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, to the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons) is, as of the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as described below, to the knowledge of the Company no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (a) is, as of the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Terry Freeman, a director of the Company, was a director of GLM Industries Ltd., a private company, until April 9, 2015. GLM Industries Ltd. was placed into receivership on July 6, 2015.

Conflicts of Interest

There may from time to time be potential conflicts of interest to which some of the directors, officers, insiders and promoters of the Company will be subject in connection with the operations of the Company. Certain of the directors or officers of the Company are also directors, officers, and/or shareholders of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company, notwithstanding that they will be bound by the provisions of the ABCA to act at all times in good faith in the best interests of the Company and to disclose such conflicts to the Company if and when they arise. Conflicts, if any, will be subject to the procedures and remedies provided for under the ABCA.

To the best of its knowledge, Vertex is not aware of the existence of any conflicts of interest between Vertex and any of the directors or officers as of the date of this AIF.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither Vertex nor any of its subsidiaries is a party to, nor the subject matter of, any significant legal proceedings or regulatory actions, nor are any such proceedings or actions known to Vertex to be contemplated. In the ordinary course of business activities, Vertex may be contingently liable for litigation and claims with employees, customers, suppliers and other third parties. Management believes that adequate provisions have been made for potential claims in the Company's accounts. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes, but can provide no assurance, that the ultimate resolution of such contingencies would not have a material adverse effect on the consolidated financial position of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of Vertex, no: (i) director or executive officer of the Corporation; (ii) person that is the beneficial owner of, or who exercises direct or indirect control or direction over, more than 10% of the outstanding Common Shares; or (iii) any associate or affiliate of any person referred to in (i) or (ii) above has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Vertex, other than as disclosed elsewhere in this AIF.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar is TMX Trust Company at its principal offices in Calgary, Alberta.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the no material contracts that the Company has entered into within the last financial year, or before the last financial year which are still in effect, which can reasonably be regarded as presently material.

INTERESTS OF EXPERTS

Deloitte LLP ("Deloitte") of 2000 Manulife Place, 10180 – 101st Street NW, Edmonton, Alberta, T5J 4E4, are the auditors of Vertex. Deloitte is the external auditor of Vertex and is independent of Vertex within the meaning of the Code of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to Vertex may be found on SEDAR at www.sedar.com and on Vertex's website at www.vertex.ca. Additional financial information is provided in Vertex's consolidated financial statements and management's discussion and analysis for its most recently completed financial year.