Management's Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of the consolidated operations of Tornado Global Hydrovacs Ltd. ("TGHL" or the "Company") and its wholly-owned subsidiaries Tornado Global Hydrovacs (North America) Inc. ("Tornado NA" or the "North American Operation(s)"), Tornado Global Hydrovacs (Beijing) Ltd. ("Tornado China") and Tornado Hydrovacs Asia Pacific Holdings Ltd. ("Tornado Asia" and together with Tornado China are referred to as the "China Operation(s)") is supplemental to, and should be read in conjunction with the Company's interim unaudited condensed consolidated financial statements and related notes as at March 31, 2019 and for the three months ended March 31, 2019 and 2018, and the audited consolidated financial statements and notes for the year ended December 31, 2018.

The interim unaudited condensed consolidated financial statements and accompanying notes of TGHL for the three months ended March 31, 2019 have been prepared in conformity with International Financial Reporting Standards ("IFRS"): International Accounting Standard 34.

The interim unaudited condensed consolidated financial statements have been prepared by management and approved by TGHL's Board of Directors. These statements require management to make estimates and assumptions that affect amounts reported and disclosed in such financial statements and related notes. Actual results may differ materially. See "Forward-Looking Information".

All amounts are reported in Canadian dollars unless specifically stated otherwise. Financial information disclosed in this MD&A is presented in thousands (000's) except for percentages and per share data.

This MD&A contains forward-looking information and statements. At the end of this MD&A is an advisory on forward-looking information and statements.

Additional information on TGHL is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Disclosure contained in this document is current to May 13, 2019, unless otherwise stated.

Non-IFRS Methods

In this MD&A, the Company uses three financial management metrics that are not in accordance with IFRS namely "earnings (loss) before interest, tax, depreciation and amortization and stock-based compensation (EBITDAS)", "Gross Margin" and "earnings before interest and taxes (EBIT)". Because these terms are not defined by IFRS they cannot be formally presented in the interim unaudited condensed consolidated financial statements. The definition of EBITDAS does not take into account gains and losses on the disposal of assets, fair value changes in foreign currency forward contracts and non-cash components of stock-based compensation. EBIT is the result of the Company's EBITDAS less depreciation and amortization expenses, gains and losses on the disposal of assets and stock-based compensation. Gross Margin is the result of revenues less cost of sales, excluding depreciation of property, plant and equipment. It should be noted that the Company's definition of EBITDAS, EBIT and Gross Margin may differ from those definitions used by other companies.

While not IFRS measures, EBITDAS, EBIT and Gross Margin are used by management, creditors, analysts, investors and other financial stakeholders to assess the Company's performance and management from a financial and operational perspective.

Business Description

TGHL designs, manufactures and sells hydrovac trucks for excavation service providers to the oil and gas industry and the municipal market. It operates through a leased production facility in Stettler, Alberta and a sales office located in Calgary, Alberta. TGHL is also in the development stage of commencing similar operations in China and has established an office in Beijing, China.

TGHL maintains its head office in Calgary, Alberta.

Overview

First Quarter 2019 Overview and Recent Developments

- Revenue of $13,802 increased 185.7% compared to $4,831 in Q1/2018. The increase in revenue was due to the improvement in the hydrovac market equipment purchase demand from the municipal sector in both Canada and the United States ("US").

- Gross profit of $1,958 increased by $1,070 compared to $888 in the same period of 2018 due to significantly increased revenue from the Company's North American Operations.

- In order to meet growing demand for Tornado trucks in 2019, the Company has increased its reliance on outsourcing certain elements of its production to third party manufacturers, which in turn negatively impacted overall gross margin in Q1/2019. The Company anticipates that as third party manufacturers improve their efficiencies and adapt to the Company's production requirements, its overall margins will stabilize and improve.

- EBITDAS of $415, comprising North America - positive $867, China - negative $262 and Corporate - negative $190, increased by $771 compared to negative $356 in Q1/2018, due to increased revenues and gross profit in North America and reduced compensation expense in China. For the North American Operations, EBITDAS during Q1/2019 continued the improvement experienced in Q3/2018 and Q2/2018 and increased significantly compared to Q1/2018.

- Net loss of $118 decreased by $517 compared to net loss of $635 in Q1/2018. This is due to the factors discussed above, offset by income tax expense of $109.

- During Q1/2019 additional shipments of hydrovac truck parts, sourced by Tornado China, were sent to Canada for the production of hydrovac trucks in Stettler, Canada.

Unless otherwise provided herein, the Company's interim financial condition, and associated economic and industry factors, are substantially unchanged from the disclosure provided in the Company's MD&A for the fiscal year end dated December 31, 2018. For a complete discussion on these items, please refer to the Company's MD&A for the fiscal year end dated December 31, 2018 which can be found under the Company's profile at www.sedar.com.

Amounts reported in thousands ($000's CAD) except per share amounts

Selected Financial Information

		Three Months ended March 31		
		2019		2018
Revenue	**$**	**13,802**	$	4,831
Cost of sales		**11,844**		3,943
Gross Profit		**1,958**		888
Selling and general administrative expenses		**1,543**		1,244
Depreciation of property and equipment		**212**		132
Amortization of intangible assets		**145**		124
Loss on disposal of fixed assets		**-**		4
Stock-based compensation		**20**		68
Finance income		**(24)**		(31)
Finance costs		**74**		22
Change in fair value of derivative financial instruments		**(3)**		4
Loss before tax		**(9)**		(679)
Income tax expense		**(109)**		44
Net loss	**$**	**(118)**	$	(635)
Comprehensive loss	**$**	**(90)**	$	(347)
Net loss per share - basic and diluted	**$**	**nil**	$	nil
Total non-current financial liabilities	**$**	**651**	$	545
Total assets	**$**	**25,207**	$	23,049

Segmented Information

Three Months ended March 31, 2019		**North America**		**China**		**Corporate**		**Total**
Revenue	**$**	**13,802**	**$**	**-**	**$**	**-**	**$**	**13,802**
Cost of sales		**11,844**		**-**		**-**		**11,844**
Selling and general administrative		**1,091**		**262**		**190**		**1,543**
		867		**(262)**		**(190)**		**415**
Depreciation and amortization		**186**		**26**		**145**		**357**
Income (loss) before other items of income	**$**	**681**	**$**	**(288)**	**$**	**(335)**	**$**	**58**

Three Months ended March 31, 2018		North America		China		Corporate		Total
Revenue	$	4,831	$	-	$	-	$	4,831
Cost of sales		3,943		-		-		3,943
Selling and general administrative		792		287		165		1,244
		96		(287)		(165)		(356)
Depreciation and amortization		130		2		124		256
Loss on disposal of assets		4		-				4
Income (loss) before other items of income	$	(38)	$	(289)	$	(289)	$	(616)

Amounts reported in thousands ($000's CAD) except per share amounts

Operating Results

	Three Months ended March 31	
	2019	2018
Revenues	**$ 13,802**	$ 4,831
Gross margin	**1,958**	888
Gross margin %	**14.19%**	18.38%
EBITDAS	**415**	(356)
EBITDAS %	**3.01%**	-7.37%
EBIT	**58**	(616)
EBIT %	**0.42%**	-12.75%
Net income loss	**$ (118)**	$ (635)

Outlook

In addition to other sections of the Company's report, this section contains forward-looking information and actual outcomes may differ materially from those expressed or implied therein. For more information, see the section titled "Forward- Looking Information" in this MD&A.

- Management expects the Company's production and sales of hydrovac trucks in North America to continue to increase in 2019 for the following reasons:
    - Increased spending on infrastructure by both the Canadian and the US governments is expected to further increase the market demand of hydrovac trucks in North America.
    - The Company introduced a newly designed hydrovac truck in 2018 which management believes has compelling advantages over hydrovac trucks currently offered in the market, including having a lighter weight and more debris capacity making it easier to comply with the road weight laws of the US' states and Canadian provinces.
    - In 2018, the Company entered into an exclusive sales agreement in April 2018 with Custom Truck One Source ("Custom Truck"). Custom Truck has an integrated network of 23 locations across North America. Based on the positive impact that the strategic relationship with Custom Truck had on the Company's sales in the latter part of 2018 and in Q1/2019, the Company expects sales in the US to continue at the same pace during the remainder of 2019.
    - In 2019 the Stettler facility's production capacity is expected to be used to produce more hydrovac trucks for sale in North America. During 2018, the Company's Stettler facility was used to design and produce 6 skid mounted units and one hydrovac sewer flusher unit for China's rental and demonstration fleet. This resulted in reduced truck production capacity for the Stettler facility in 2018.

- Through its presence in China, the Company has established a strategic supply chain from China for certain parts. This is expected to have a positive impact on reducing the Company's production costs in North America. This benefit is expected to impact the 2019 financial results.

- The Company's newly designed skid mounted unit was introduced to the North American market at trade shows in Toronto and Indianapolis in Q1/2019. The skid mounted units received positive feedback from prospective customers. The skid mounted units will be produced in China which management anticipates will allow the Company to offer competitively priced skid mounted units for both the North American and Chinese markets.

- The Company expects that the weak Canadian dollar will continue to positively impact profit margins because more than half of the Company's hydrovac trucks are sold in US dollars while manufactured in Canada.

Amounts reported in thousands ($000's CAD) except per share amounts

- The Company has refocused its business in China resulting in significantly reduced cost structure for its China Operations. The Company remains committed to the China Operations and exploiting the growth opportunities there. With a fleet of 4 distinct types of hydrovac units in China, the Company will concentrate, over the short term, on developing its business in China through unit rentals and educating the Chinese market through live demonstrations, of the benefits of hydrovac truck capabilities. The Company's China office will also be used to negotiate and source certain high quality, low cost hydrovac truck parts for North American truck production. The Company anticipates that the steps it has taken to refocus its business opportunities in China and the resulting reduction in cost structure will positively impact the Company's 2019 financial results.

Revenue

	Three Months ended March 31	
	2019	2018
Revenues	**$ 13,802**	$ 4,831

During the three months ended March 31, 2019, revenues were $13,802 (2018 - $4,831). The increase over the same period in 2018 reflects the continuing improvement in the hydrovac market equipment demand with increased interest coming out of the municipal sector in both Canada and the US.

Cost of sales

	Three Months ended March 31	
	2019	2018
Cost of Sales	**$ 11,844**	$ 3,943

For the three months ended March 31, 2019, cost of sales was $11,844 compared to $3,943 in the same period of 2018. The increase in cost of sales is due to the increase in revenue and number of trucks sold.

Gross Profit

	Three Months ended March 31	
	2019	2018
Gross Profit	**$ 1,958**	$ 888

For the three months ended March 31, 2019, Gross Profit was $1,958 compared to $888 in the same period of 2018 due to significantly increased revenue at the Company's Stettler plant.

Amounts reported in thousands ($000's CAD) except per share amounts

Selling, General and Administrative Expenses ("S,G&A")

	Three Months ended March 31	
	2019	2018
Selling and General and Administrative expense	**$ 1,543**	$ 1,244

During the three months ended March 31, 2019, S,G&A expenses were $1,543 (comprising $1,091 in North America, $262 in China and $190 in Corporate) compared to $1,244 (comprising $792 in North America, $287 in China and $165 in Corporate) in the same period of in 2018. The overall increase is principally due to increased employee costs of the North American Operations, offset by a decrease in compensation expense relating to the China Operations.

Depreciation of property and equipment

	Three Months ended March 31	
	2019	2018
Depreciation	**$ 212**	$ 132

During the three months ended March 31, 2019, depreciation of property and equipment was $212 (2018 - $132), the majority of which related to operations in North America. The increase is due to depreciation on additional rental hydrovac trucks acquired in 2018.

Amortization of intangible assets

	Three Months ended March 31	
	2019	2018
Amortization of intangible assets	**$ 145**	$ 124

During the three months ended March 31, 2019, amortization of intangible assets was $145 (2018 - $124). The increase is the result of a significant increase in intangible assets resulted from capitalized development costs relating to new equipment designed in 2018.

Stock based compensation

	Three Months ended March 31	
	2019	2018
Stock Based Compensation	**$ 20**	$ 68

Amounts reported in thousands ($000's CAD) except per share amounts

During the three months ended March 31, 2019, stock-based compensation expense of $20 resulted from expensing the Company's outstanding stock options granted in November 2017 over the vesting period which ranges from immediate to 2 years after the grant date. No options have been granted in Q1/2019.

Income tax expense

	Three Months ended March 31	
	2019	2018
Current income tax expense	**$ 101**	$ (33)
Deferred income tax expense	**8**	(11)
	$ 109	$ (44)

The Company's tax expense relates to its wholly owned operating subsidiary in Canada.

Net loss

	Three Months ended March 31	
	2018	2017
Net loss	**$ (118)**	$ (635)

For the three months ended March 31, 2019, the net loss was $118 compared to the net loss of $635 in the same period of 2018. The decrease in the loss reflects the increased gross profit in North America, offset by increased employee costs of the North American Operations, decreased overhead costs of the China Operations and increased income tax expense.

Inventory

	March 31, 2019	December 31, 2018
Work-in-process	**$ 1,487**	$ 1,960
Raw materials	**6,310**	4,959
Finished goods	**621**	1,444
	$ 8,418	$ 8,363

As at March 31, 2019, inventory increased to $8,418 compared to inventory of $8,363 as at December 31, 2018. The increase in raw materials and work-in process is due to stocking up for production ramp-up in the second quarter. Finished goods inventory consists of hydrovac equipment in the North American Operations and China Operations and decreased due to the sale of two hydrovac trucks in Q1/2019.

Amounts reported in thousands ($000's CAD) except per share amounts

Quarterly Financial Information

	2019 Q1 $	2018 Q4 $	2018 Q3 $	2018 Q2 $	2018 Q1 $	2017 Q4 $	2017 Q3 $	2017 Q2 $
Revenue	$ 13,802	$ 12,406	$ 11,400	$ 10,213	$ 4,831	$ 9,440	$ 7,620	$ 6,733
EBITDAS	415	(112)	547	307	(356)	(21)	74	(291)
Net income (loss)	(118)	(530)	62	(220)	(635)	(799)	79	(537)
Comprehensive income (loss)	(90)	(406)	(81)	(322)	(347)	(646)	58	(563)
Net loss per share - basic and diluted	$ nil	$ nil	$ nil	$ nil	$ (0.01)	$ (0.01)	$ nil	$ (0.01)

The quarterly financial information has been prepared in accordance with IFRS.

Factors That Have Caused Variations over the Quarters

Revenue increased in Q1/2019, Q4/2018, Q3/2018 and Q2/2018 due to continuing improvement in the hydrovac market equipment demand in North America. Revenue decreased in Q1/2018 due to a delay in production and delivery of hydrovac trucks caused by the development of a new demonstration hydrovac truck and equipment for the China Operations. Revenue increased in Q4/2017 and Q3/2017 due to an improvement in the hydrovac market equipment demand with increased interest coming out of the municipal sector in both Canada and the US.

In Q1/2019 EBITDAS increased due to increased revenue and gross profit in North American Operations. In Q4/2018 EBITDAS decreased due to year-end adjustments comprising principally a provision for obsolete inventory and a year-end inventory count adjustment. In Q3/2018 and Q2/2018 EBITDAS increased due to increased revenue and gross margin in the North American Operations. In Q3/2017 EBITDAS was positive due to increased revenue and gross margin in the North American Operations. During Q2/2017, the decrease in EBITDAS and increased loss was due to the liquidation of aged inventory with no margin and increased S,G&A for the North American Operations.

The net loss in Q1/2019 decreased due to increased revenue and gross profit in North American Operations. The net loss in Q4/2018 increased due to the factors discussed above together with increased stock-based compensation and income tax expense. The net income (loss) in Q3/2018 and Q2/2018 improved due to increased revenue and gross margin for the North American Operations, offset by stock-based compensation and income tax expense. The net loss in Q4/2017 increased due to stock-based compensation and income tax expense.

Amounts reported in thousands ($000's CAD) except per share amounts

Funds From/(Used) in Operating Activities(1)

	Three Months ended March 31	
	2019	2018
Cash used in operating activities	**$ 1,448**	$ (1,066)
Proceeds from sale of leased truck	**-**	(375)
Change in tax recoverable	**11**	-
Changes in non-cash working capital	**(1,171)**	1,127
Funds from/(used) operating activities	**$ 288**	$ (314)

Notes:

(1) Funds from operating activities is a non IFRS measure and is calculated from cash used in operating activities adjusted for changes in non-cash working capital and proceeds from sale of leased truck.

During the three months ended March 31, 2019, the Company generated $288 of funds from operating activities compared to $314 used in operations in the comparable period in 2018. The increase was principally due to an increase in EBITDAS, from negative $356 to positive $415 principally resulting from increased revenue and gross profit in the North America, offset by increased employee costs of the North American Operations and also decreased overhead costs incurred by the China Operations.

Liquidity and Capital Resources

Liquidity

The Company had working capital of $7,286 as at March 31, 2019 compared to working capital of $7,519 as at December 31, 2018. Included in the working capital at March 31, 2019 is $3,186 of cash and $8,418 of inventory (which includes $926 for hydrovac equipment and parts in China)

For the three months ended March 31, 2019, TGHL's operations generated $288 of cash, compared to $314 of cash used in Q1/2018, excluding the impact of changes in non-cash working capital amounts. The increase was principally due to an increase in EBITDAS, from negative $356 to positive $415 principally resulting from increased revenue and gross profit in the North America and decreased overhead costs of the China Operations.

TGHL does not have any externally imposed restrictions on its capital. TGHL considers its net free cash to be its capital and manages the amounts based upon the projected needs of its individual geographic locations, those being China and North America. TGHL monitors these amounts to ensure there is adequate cash to support the North American Operations and the ongoing planned expansion into China. Should the projected requirements not be satisfied from cash on hand at the Company or cash flow from operation, TGHL would need to raise additional cash. Management anticipates that additional funds could be raised on terms satisfactory to TGHL through either the issuance of additional equity, acquisition of debt, or a combination thereof. Cash on hand as at March 31, 2019, together with ongoing cash flow from operations is expected to meet the budgeted requirements for the next 12 months.

As at three months ended March 31, 2019 the Company held cash in China totaling $731. This cash is intended to be used to fund the Company's future China Operations. In the event the Company decides to transfer these funds back to Canada, there may be practical difficulties in the timing of such transfer due to currency restrictions in China.

Amounts reported in thousands ($000's CAD) except per share amounts

Capital Expenditures

During the three months ended March 31, 2019 the Company incurred capital expenditures of $131 (2018 - $159), relating principally to machinery and equipment acquired in North America. The Company has no significant capital expenditures planned for the balance of 2019.

Contractual Obligations and Commitments

Finance Lease Obligation:

As at March 31, 2019, the Company had two hydrovac truck leases and a computer equipment lease, repayable in monthly installments totalling of $19 and bearing interest at rates between 2% and 7%.

		March 31, 2019		December 31, 2018
Finance leases obligation	**$**	**554**	$	934
Less: current portion of finance lease obligations		**(157)**		(234)
	$	**397**	$	700

Amounts due on the hydrovac truck leases and computer equipment lease in the next five years are as follows:

2019	**$**	**137**
2020		**181**
2021		**170**
2022		**142**
2023		**-**
Total minimum lease payments		**630**
Amount representing interest		**(76)**
		554
Less current portion of finance lease		**(157)**
	$	**397**

These leases will be funded from ongoing operations over the next five years.

In the ordinary course of business, the Company and its subsidiaries may enter into contracts which contain indemnification provisions, such as service agreements, leasing agreements, asset purchase and sale agreements, joint venture agreements, operating agreements, land use agreements, etc. In such contracts, the Company may indemnify counterparties to the contracts if certain events occur. These indemnification provisions vary on an agreement-by-agreement basis. In some cases, there are no pre-determined amounts or limits included in the indemnification provisions and the occurrence of contingent events that would trigger payment under them is difficult to predict. Therefore, the maximum potential future amount that the Company could be required to pay cannot be estimated.

Amounts reported in thousands ($000's CAD) except per share amounts

Off Balance Sheet Arrangements

As at March 31, 2019 and the date of this document, the Company had no off balance sheet arrangements.

Shareholders' Equity

Share Capital

The Company is authorized to issue an unlimited number of Class "A" Common Shares ("Common Shares").

As of December 31, 2018, March 31, 2019 and May 13, 2019, there were 126,716,519 Common Shares outstanding.

No dividends were declared during the period.

Common Share purchase warrants

As at March 31, 2019 and and May 13, 2019 there were 3,100,000 Warrants outstanding, which are exercisable into 3,100,000 Common Shares at an exercise price of $0.12 per Warrant and expire on September 15, 2022.

Stock Options

As at March 31, 2019 and May 13, 2019, there were 7,500,000 stock options outstanding with a weighted average exercise price of $0.11 and weighted average remaining contractual life of 3.6 years. 5,100,000 options were exercisable at a weighted average exercise price of $0.11. No options were granted during the period. During the three months ended March 31, 2019, 900,000 stock options were cancelled.

Related Party Transactions

As at March 31, 2019, Tornado China was carrying an outstanding receivable in the amount of $99 owing by Dynamic Attractions Ltd. (a related party to the Company), which receivable was paid in full in April 2019.

Reconciliation of Income (Loss) before taxes to EBITDAS

	Three Months ended March 31	
	2019	2018
Loss before taxes	**$ (9)**	$ (679)
Add: Depreciation and amortization	**357**	256
Deduct: Finance income	**(24)**	(31)
Add: Finance costs	**74**	22
Add: Changes in fair value in derivatives	**(3)**	4
Add: Stock based compensation	**20**	68
Deduct: Gain on disposal of fixed assets	**-**	4
EBITDAS	**$ 415**	$ (356)
% of revenue	**3.01%**	-7.37%

Amounts reported in thousands ($000's CAD) except per share amounts

Calculation of EBIT

	Three Months ended March 31	
	2019	2018
EBITDAS	**$ 415**	$ (356)
Less: Depreciation and amortization	**(357)**	(256)
Less: Loss on disposal of fixed assets	**-**	(4)
EBIT	**$ 58**	$ (616)
% of revenue	**0.42%**	-12.75%

Calculation of Gross Margin

	Three Months ended March 31	
	2019	2018
Revenues	**$ 13,802**	$ 4,831
Cost of sales	**11,844**	3,943
Gross margin	**$ 1,958**	$ 888
% of revenue	**14.19%**	18.38%

New Accounting Standards Effective For the First Time From January 1, 2019

Certain pronouncements were issued that are mandatory for accounting periods beginning before or on January 1, 2019. Please refer to the Company's unaudited condensed consolidated financial statements for the three months ended March 31, 2019 for the impact of adopting IFRS 16, "Leases".

Financial Instruments and Risk Management

The Company's financial instruments recognized in the condensed consolidated statement of financial position consist of cash and cash equivalents, accounts receivable, finance leases, accounts payable and accrued liabilities. The carrying value of these balance sheet items approximates their fair market value due to their short-term nature.

The risks associated with these financial instruments including foreign currency risk, credit risk, interest rate risk, liquidity risk and commodity price risk have not changed from December 31, 2018.

From time to time, the Company uses foreign exchange contracts to hedge its U.S. dollar revenues. As at March 31, 2019, the Company had in place $1 million US on forward contracts which expired on May 1, 2019. These contracts were revalued to fair market value using fair value accounting at the balance sheet date. For the three months ended March 31, 2019 the Company recorded $3 unrealized foreign exchange gain on these contracts.

Significant Judgements And Estimates

The preparation of the Company's financial statements requires management to adopt accounting policies that involve the use of significant estimates and assumptions. These estimates and assumptions are developed based on the best available information and are believed by management to be reasonable under the existing circumstances. New events or additional information may result in the revision of these estimates over time. A summary of the critical estimates and judgments used by the Company can be found in Note 4 to the December 31, 2018 audited annual financial statements. Except as described below, there have been no changes to the Company's significant accounting estimates and judgments as of March 31, 2019.

Internal Controls And Procedures

There have been no significant changes in TGHL's internal controls over financial reporting during the three months ended March 31, 2019 that have materially affected, or are reasonability likely to materially affect TGHL's internal controls over financial reporting.

Forward Looking Information

This MD&A contains certain "forward-looking statements." All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding financial and business prospects and financial outlook) are forward looking statements. Such statements include statements with respect to: (i) the expected increase in the Company's production and sales of hydrovac trucks in North America in 2019 due to the expected increase in spending on infrastructure projects by the governments in Canada and the US, the expectation of the continued positive effect the agreement with Custom Truck has had on sales in the US and the expectation of increase production of hydrovac trucks at the Stettler facility; (ii) the anticipated production of the new skid mounted units in China will allow the Company to sell the same at competitive prices; (iii) the expectation that the weak Canadian dollar will positively impact profit margins; and (iv) the anticipated benefit of reduction of the costs with respect to the China Operations. These forward-looking statements reflect the current expectations or beliefs of the Company, based on information currently available to the Company. Forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in general economic and market conditions, changes to regulations affecting the Company's activities, change in the political or economic climate in China and uncertainties relating to the availability and costs of financing needed in the future. Any forward-looking statement speaks only as at the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein.

Business Risks And Uncertainties

Please refer to the Company's annual MD&A and audited consolidated financial statements for the year ended December 31, 2018, available on SEDAR at www.sedar.com and on the Company's web site at www.tornadotrucks.com for a discussion of the other risks and uncertainties associated with the Company's activities. There have been no significant changes in these risks and uncertainties during the three months ended March 31, 2019.