

# Badger (TSX:BAD) is not a hydrovac company: Badger is an illegal toxic dumping company



CEO

“ I know very little about hydrovac. ”  
CEO Vanderberg on Q2 ‘16 earnings call



CFO

Not an accountant and not a CPA, CFO  
“Gerry” last worked at Ivanhoe Energy until it went bankrupt.



VP

Tim Reiber held various sales and operations roles for WM in the Chicago, IL market.



COO

John Kelly worked 18 years at Waste Management (WM) & hired his old pals e.g. Tom Kaczmariski, who worked 24 years at WM

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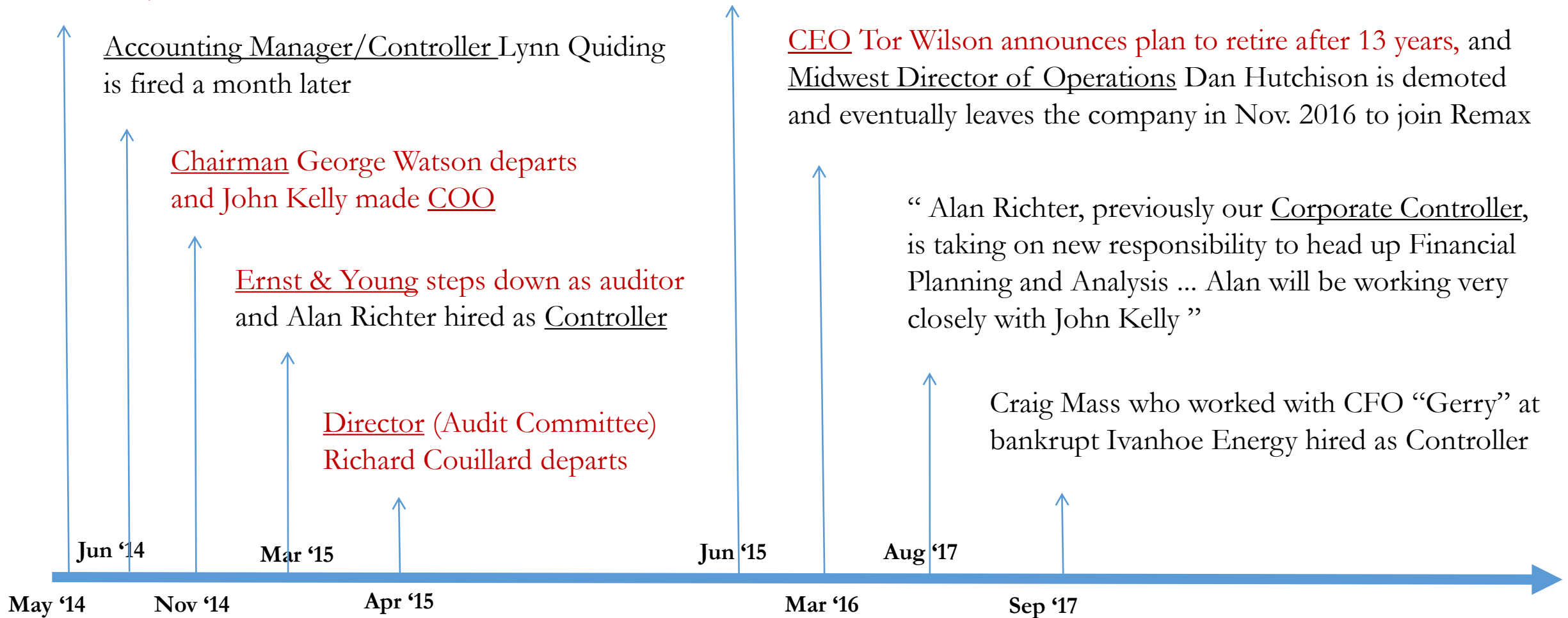
Former employees say:

- BAD is not an infrastructure play & probably **loses money** in hydrovac
- Badger makes its money by **polluting** the environment
- BAD **underbids** on hourly rate for hydrovacating to win the business
- Hydrovacating produces **toxic and hazardous** waste as a byproduct
- Lawful disposal requires testing and containment which is **expensive**
- BAD's "competitive advantage" is using **low-cost illegal** dumping
- BAD creates **false** documents that say BAD dumps at approved facility
- In reality, BAD kicks back cash to "mud brokers" and dumps 12-3am
- If true, BAD systematically **breaks laws** with "cradle to grave" liability

# Who knew? When did they know? Did they lie?

CFO Greg Kelly departs after 15 years despite no other job

VP of Ops (#3 Exec in Co) Derek Dillon leaves



# Games help management's bottom line but hurt shareholders' bottom line

- To get higher bonuses, management makes up revenue\*
- To get higher bonuses, management counts more expenses as depreciation to get a higher EBITDA\*\*
- Highly irregular accounting *e.g.*
  - Retroactively changing numbers
  - Altering the age of trucks
  - Total G&A expenses that barely cover exec./director compensation
  - June '17 accounts receivable too high



\* Management bonuses paid off revenue per truck and EBITDA.

\*\* Expenses are capitalized into Property Plant and Equipment (PP&E), which is then depreciated.

One of many Badger illegal dump sites

29334-29350 Pacific Street Hayward, CA



