Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) should be read in conjunction with the attached unaudited interim consolidated financial statements of Badger Daylighting Ltd. (the "Company" or "Badger"). The interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). Readers should also refer to the audited consolidated financial statements and MD&A for the year ended December 31, 2013, which along with all previous public filings, including the Company's Annual Information Form for the year ended December 31, 2013, may be found on SEDAR at www.sedar.com.

All comparative share capital and profit per share amounts have been adjusted for the three for one share split that occurred on January 24, 2014.

This MD&A has been prepared taking into consideration information available to November 12, 2014.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements and information contained in this MD&A and other continuous disclosure documents of the Company referenced herein, including statements related to the Company's capital expenditures, projected growth, view and outlook toward margins, cash dividends, customer pricing, future market opportunities and statements, and information that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may" and similar expressions relating to matters that are not historical facts, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements and information 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 statements and information. The Company believes the expectations reflected in such forward-looking statements and information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements and information included in this MD&A should not be unduly relied upon. These forward-looking statements and information speak only as of the date of this MD&A.

In particular, forward-looking information and statements include discussion reflecting the Company's belief that:

- Internal preparations for anticipated growth in 2014 will be completed;
- As long as overall activity in the economy and the oil and natural gas industry remains essentially constant, Badger will be able to continue to grow the business in 2014;
- Badger in 2014 can further develop the organization to position itself to be able to handle the planned future growth;
- The new locations opened in the United States will provide an increased contribution to cash flows from operations and net profit during 2014;
- The current business development initiative will provide Badger with the additional new customers necessary to grow the business in 2014 and the future;
- Eastern Canada will continue with steady growth in 2014, driven by activity in the utility and construction segments;

- There will be an increase in Western Canada revenue during 2014 due to anticipated project volume and spending in the oil and natural gas sector;
- The expectation that Western Canada EBITDA margins will improve during the remainder of 2014; and,
- An increase in Company capital will be required to finance the anticipated capital expenditure program.

The forward-looking statements rely on certain expected economic conditions and overall demand for Badger's services and are based on certain assumptions. The assumptions used to generate forward- looking statements are, among other things, that:

- Badger has the ability to achieve its revenue, net profit and cash flow forecasts for 2014;
- There will be long-term demand for hydrovac services from oil refineries, petro-chemical plants, power plants and other large industrial facilities throughout North America;
- Badger will maintain relationships with current customers and develop successful relationships with new customers;
- The Company will collect customer payments in a timely manner; and
- Badger will execute its growth strategy.

Risk factors and other uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements include, but are not limited to: price fluctuations for oil and natural gas and related products and services; political and economic conditions; industry competition; Badger's ability to attract and retain key personnel; the availability of future debt and equity financing; changes in laws or regulations, including taxation and environmental regulations; extreme or unsettled weather patterns; and fluctuations in foreign exchange or interest rates.

Readers are cautioned that the foregoing factors are not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results is included in reports on file with securities regulatory authorities in Canada and may be accessed through the SEDAR website (www.sedar.com) or at the Company's website. The forward-looking statements and information contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

NON-IFRS FINANCIAL MEASURES

This MD&A contains references to certain financial measures, including some that do not have any standardized meaning prescribed by IFRS and that may not be comparable to similar measures presented by other corporations or entities. These financial measures are identified and defined below:

"Cash available for growth and dividends" is used by management to supplement cash flow as a measure of operating performance and leverage. The objective of this measure is to calculate the amount available for growth and/or dividends to shareholders. It is defined as funds generated from operations less required debt repayments and maintenance capital expenditures, plus any proceeds received on the disposal of assets.

"EBITDA" is earnings before interest, taxes, depreciation and amortization and is a measure of the Company's operating profitability and is therefore useful to management and investors. EBITDA provides an indication of the results generated by the Company's principal business activities prior to how these activities are financed, assets are amortized or the results are taxed in various jurisdictions. EBITDA is calculated from the consolidated statement of comprehensive income as gross profit less selling, general and administrative costs, deferred unit plan costs and unrealized foreign exchange gain/loss. **"Adjusted EBITDA"** is EBITDA prior to recognizing deferred unit costs and unrealized foreign exchange gain (loss). They are calculated as follows:

	Three months ended September 30,		Nine months ended September 30,	
$ thousands	2014	2013	2014	2013
Gross profit	40,264	30,932	101,034	79,233
Selling, general and administrative costs	(4,342)	(4,290)	(15,652)	(10,601)
Deferred unit plan	2,560	(2,916)	(2,354)	(6,624)
Unrealized foreign exchange (loss) gain	(3,765)	-	(1,173)	-
EBITDA	34,717	23,726	81,855	62,008
Deferred unit plan	(2,560)	2,916	2,354	6,624
Unrealized foreign exchange loss (gain)	3,765	-	1,173	-
Adjusted EBITDA	35,922	26,642	85,382	68,632

"Funded debt" is a measure of Badger's long-term debt position. Funded debt is long-term debt.

"Funds generated from operations" is used to assist management and investors in analyzing operating performance and leverage. It is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net profit or other measures of financial performance calculated in accordance with IFRS. Funds generated from operations are derived from the consolidated statement of cash flows and is calculated as follows:

	Three months ended September 30,		Nine months ended September 30,	
$ thousands	2014	2013	2014	2013
Cash provided by operating activities	15,269	8,985	53,409	36,559
Add (deduct):				
Net change in non-cash working capital relating to operating activities	15,683	10,648	12,416	14,289
Equity-settled share plan settled in cash	-	-	-	1,513
Funds generated from operations	30,952	19,633	65,825	52,361

"Growth capital expenditures" are capital expenditures that are intended to improve Badger's efficiency, productivity or overall capacity and thereby allow Badger to expand overall activity and/or access new markets. They generally represent any net additions to the daylighting fleet. Growth capital expenditures exclude acquisitions.

"Maintenance capital expenditures" are any amounts incurred during a reporting period to keep the Company's daylighting fleet at the same number of units (including costs incurred to extend the operational life of a daylighting unit), plus any other capital expenditures required to maintain the capacities of the existing business. The amount will fluctuate period-to-period depending on the number of units retired from the fleet.

"Net debt" is funded debt less cash and cash equivalents.

Cash available for growth and dividends, EBITDA, Adjusted EBITDA, funded debt, funds generated from operations, growth capital expenditures, maintenance capital expenditures and net debt throughout this document have the meanings set out above.

FINANCIAL HIGHLIGHTS

($ thousands, except per share and total shares outstanding information)

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Revenue	113,121	87,543	313,869	230,354
EBITDA	34,717	23,726	81,855	62,008
Adjusted EBITDA	35,922	26,642	85,382	68,632
Profit Before Tax	23,941	17,143	52,662	43,686
Income Tax				
Expense	7,113	3,109	14,982	9,207
Deferred	750	2,260	1,623	5,348
Net Profit	16,078	11,774	36,057	29,130
Profit per Share - Diluted ($)	0.43	0.32	0.97	0.79
Funds Generated from Operations	30,952	19,633	65,825	52,361
Funds from Operations per Share ($)	0.84	0.53	1.78	1.41
Maintenance Capital Expenditures	2,209	2,437	3,229	5,615
Long-term Debt Repayments	-	-	-	-
Cash Available for Growth & Dividends	28,808	17,276	63,002	47,014
Dividends Declared	3,333	3,331	9,999	9,990
Growth Capital Expenditures	19,720	16,613	71,868	45,711
Total Shares Outstanding (end period)	37,033,893	37,006,893	37,033,893	37,006,893

OVERVIEW

Highlights for the three months ended September 30, 2014:

- Revenues increased by approximately 29 percent to $113.1 million from $87.5 million for the comparable quarter of 2013 due to a 34 percent increase in Canadian revenues and a 24 percent increase in United States revenues. This is the third full quarter in which Fieldtek, acquired in November 2013, has been part of the financial results. Without Fieldtek, Canadian revenues would have increased by 17 percent.
- Adjusted EBITDA margin increased to 32% in the third quarter of 2014 from 30% for the same quarter of 2013.
- Adjusted EBITDA margins were 27 percent for the nine months ended September 30, 2014 compared to 30 percent for the nine months ended September 30, 2013;
- Funds generated from operations increased by 58 percent period-over-period to $30.9 million from $19.6 million in the comparable quarter of 2013;
- Canadian adjusted EBITDA margins increased 1 percent from 29 percent to 30 percent from the comparable period last year despite the impact of the lower margin Fieldtek business. Without Fieldtek Canadian margins would be an additional 1 percent higher.
- U.S. adjusted EBITDA margins increased to 33 percent from 32 percent for the comparable period of last year helped by underlying business improvement.
- Badger had 957 daylighting units at the end of the third quarter of 2014, reflecting the addition of 174 daylighting units to the fleet to date in 2014 and the retirement of eight units. Of the total, 405 units were operating in Canada and 552 in the United States at quarter-end. Badger had 340 units in Canada and 408 in the United States for a total of 748 units at September 30, 2013. The new units were financed from cash generated from operations and existing credit facilities.

OUTLOOK

Positives in the quarter;

- Along with continued growth, Management’s focus on margin improvement has shown results in the third quarter, with margins firming relative to the softer first half results.
- Growth continued with a 29 percent increase in revenue in the third quarter this year compared to the same quarter last year.
- The net addition of 166 units in the first nine months of 2014 was a real achievement for both the Red Deer facility and the Company as a whole, who created the demand for these trucks. Of interest, 120 of these units went to the US.
- Adjusted EBITDA margins increased to 32 percent in the third quarter of 2014 compared to 30 percent in the same quarter of 2013.This increase in margin was very satisfying given the Company’s response to improve them following the slightly reduced margin for the business in the first six months of the year.
- Better than expected results in Eastern Canada were due to better overall execution, and a good project providing better utilization, margin and revenue.
- Continued evolution of the US business, specifically business and organizational development.

Opportunities for improvement noted;

Western Canada Corporate Operations continued to have lower than forecast revenue due to weaker than expected demand in Northern Alberta (mainly Oil Sands related) and two other areas. Badger is working to improve revenue in the fourth quarter.

Regional Comments;

- The U.S. as a whole had a successful quarter in terms of revenue growth, adding people, equipment and development of the organization. Organizational development in the U.S. remains a high priority and we are improving our capability in this area.
- The U.S. economy has improved which will create more work opportunities. However, it is countered by lower oil prices which may impact some oilfield work.
- Eastern Canada has had a strong year in 2014 and this is forecast to continue for the rest of the year. The decision to purchase the Toronto operation has resulted in added trucks and income in the east. There is one large project which has provided good revenue and margin for the Region.
- Although Western Canada has been slower than anticipated, Badger believes work will pick up for the rest of the year with the exception of the Oil Sands area of Northern Alberta. This area is expected to get busier in 2015, subject to the price of oil. Badger plans show Canada should grow 10 to 15% per year for the foreseeable future.
- The plant in Red Deer continued to perform, meeting all build expectations. The plan for the next year is to build 3 to 5 units a week. Badger adjusts the build rate to manage revenue per truck, increasing the build when revenue per truck is high and decreasing it when revenue per truck falls below certain trigger points. Revenue per truck spiked in the third quarter of 2013 which signaled that Badger was likely turning away work. The Company responded by increasing the build rate to improve customer service. When revenue per truck started to return to normal levels in early 2014, the Company reduced its build.

Overall the third quarter of 2014 was satisfactory for Badger given the additional growth achieved in revenue, margin and fleet size. The Company's long term focus on continued profitable growth has not changed. Badger intends to build the organization, grow the customer base, add more hydrovac units and improve business processes. The outlook for the remainder of the year is positive for Badger given the strong market for our services.

Results of Operations

Revenues

Revenues of $113.1 million for the three months ended September 30, 2014 were 29 percent greater than the $87.5 million generated during the comparable period in 2013. The increase is attributable to the following:

- Canadian revenues increased by 34 percent from $42.6 million in the third quarter of 2013 to $57.2 million in the Third quarter of 2014. Western Canada revenue was lower than forecast, with some continued softness in the Ft. McMurray area resulting in single digit growth. However, Fieldtek continued to add revenue with strengthening margins. Eastern Canada revenue increased due to success in securing pipeline work and the continuation of a large project.

- United States revenue increased from $44.9 million for the three months ended September 30, 2013 to $55.9 million for the three months ended September 30, 2014. Revenues increased by 24 percent quarter-over-quarter. The increase is due to the addition of new areas last year and early this year, enhanced business development efforts that have succeeded in enlarging the customer base, plus organizational improvements.

Badger's average revenue per truck per month during the three months ended September 30, 2014 was $33,136 versus $37,800 for the three months ended September 30, 2013. While the 2014 number is lower than 2013, it is in-line with the 2012 third quarter number of $33,000. In the third quarter of 2013 Badger's high revenue per truck provided excellent utilization but meant Badger could not service all its customers. The build was increased to a truck a day for a period of months to increase Badger's level of service. Badger's average revenue per truck per month during the nine months ended September 30, 2014 was $32,715 versus $34,400 for the nine months ended September 30, 2013. The first nine months of 2012 generated $32,000 of revenue per truck per month.

Direct Costs

Direct costs for the quarter ended September 30, 2014 were $72.9 million compared to $56.6 million for the quarter ended September 30, 2013. The increase of 29 percent mirrors the 29 percent increase in revenues.

Gross Profit

The gross profit percentage was 36 percent for the quarter ended September 30, 2014, up slightly from the 35 percent for the quarter ended September 30, 2013. The Canadian gross profit percentage held steady at 36 percent for the third quarter of 2014, versus the same quarter in 2013. United States gross profit percentage increased from 34 percent for the Third quarter of 2013 to 36 percent for the most recent quarter, helped by improved operational efficiencies.

Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment was $8.6 million for the three months ended September 30, 2014, $2.4 million higher than the $6.2 million incurred for the three months ended September 30, 2013, due to the increased number of hydrovac units in the fleet.

Finance Cost

Finance cost was $1.9 million for the quarter ended September 30, 2014 versus $0.5 million for the same quarter in 2013. The higher finance cost was due to having a higher average debt balance as well as moving most of the balance from short-term Bankers' Acceptance rates to the longer-term Prudential facility with slightly higher interest rates. Future borrowing will utilize the TD syndicated facility which will bear short-term, Banker Acceptance type rates. Prudential interest payments will remain for some time.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were essentially flat at $4.3 million for the third quarter in both 2013 and 2014 after removing the cost of the Deferred Unit compensation plan from both years. As a percentage of revenues, selling, general and administrative expenses remain below Badger's target of 5% of revenue.

Income Taxes

The effective tax rate for the nine months ended September 30, 2014 was 32 percent versus 33 percent for the nine months ended September 30, 2013. Profit before tax in Canada increased relative to United States profit before tax, resulting in the decrease in the effective tax rate given that corporate income tax rates are higher in the United States.

Exchange Differences on Translation of Foreign Operations

The exchange differences result from converting the United States balance sheet and profit statement into Canadian currency, as the Canadian dollar weakened relative to the prior period.

Liquidity and Dividends

Funds generated from operations increased to $30.9 million for the quarter ended September 30, 2014 from $19.6 million for the comparable period in 2013 due primarily to increased revenues and EBITDA. The Company uses its cash to pay dividends to shareholders, build additional hydrovac units, invest in maintenance capital expenditures and repay long-term debt.

The Company had working capital of $77.5 million at September 30, 2014 compared to $61.8 million at December 31, 2013 due primarily to an increase in trade receivables and prepaid expenses.

The following table outlines the cash available to fund growth and pay dividends to shareholders for the three and nine months ended September 30, 2014:

Liquidity and Dividends

	September 30, 2014	
($)	Three Months Ended	Nine Months Ended
Funds Generated from Operations	30,952	65,825
Add: proceeds from sale of PP&E	65	406
Deduct: Long-term Debt Repayment		
Deduct: Maintenance Capital	2,209	3,229
Cash Available for Growth Capital and Dividends	28,808	63,002
Growth Capital Expenditures	19,720	71,868
Dividends Declared	3,333	9,999

In determining cash available for dividends, the Company excludes non-cash working capital changes for the period as well as growth capital expenditures. Changes in non-cash working capital items are excluded so as to remove the effects of timing differences in cash receipts and disbursements, which generally reverse themselves and can vary significantly between fiscal periods. Growth capital expenditures are excluded so as to include only the maintenance capital expenditures required to sustain the existing asset base.

The following table outlines the excess of cash provided by operating activities and net profit for the period over dividends declared during the nine months ended September 30, 2014 and 2013 and the year ended December 31, 2013:

($)	Three months ended Sept 30, 2014	Nine months ended Sept 30, 2014	Year ended December 31, 2013
Cash provided by operating activities	15,269	53,409	58,403
Net profit	16,078	36,057	40,363
Dividends declared	3,333	9,999	13,323
Excess of cash provided by operating activities over dividends declared	11,936	43,410	45,080
Excess of net profit over dividends declared	12,745	26,058	27,040

The Company pays cash dividends monthly to its shareholders. They may be reduced, increased or suspended by the Board of Directors depending on the operations of Badger and the performance of its assets. The actual cash flow available for dividends to shareholders of Badger is a function of numerous factors, including: the Company's financial performance; debt covenants and obligations; working capital requirements; maintenance and growth capital expenditure requirements for the purchase of property, plant and equipment; and the number of shares outstanding.

The Company maintains a strong balance sheet. Its debt management strategy includes retaining sufficient funds from available distributable cash to finance maintenance capital expenditures as well as working capital needs. Growth capital expenditures will generally be financed through existing debt facilities, proceeds received from equity financings or cash retained from operating activities. The majority of the cash provided by operating activities in the nine months ended September 30, 2014 was used to finance growth capital expenditures and to pay dividends to shareholders.

If maintenance capital expenditures increase in future periods, the Company's cash available for growth capital expenditures and dividends will be negatively affected. Due to Badger's growth rate in recent years, the majority of the hydrovac units are relatively new, with an average age of approximately four years. As a result, Badger is incurring relatively low maintenance capital expenditures. Over time, Badger would expect to incur annual maintenance capital expenditures approximately equaling the year's depreciation expense. Badger estimates it will remove approximately 10 to 15 hydrovac units from the fleet in 2014. Eight have been removed to date. Badger expects that cash provided by operations and cash available for growth capital expenditures and dividends will be sufficient to fund its future maintenance capital expenditures.

Badger is restricted from declaring dividends if it is in breach of the covenants under its credit facilities. As at the date of this MD&A the Company is in compliance with all debt covenants and is able to fully utilize its credit facilities as well as declare dividends. Badger does not have a credit rating.

Capital Resources

Investing

The Company spent $21.9 million on property, plant and equipment for the three months ended September 30, 2014 compared to $19.0 million for the three months ended September 30, 2013. The costs to build a hydrovac unit remained consistent with the average for 2013.

Maintenance capital expenditures are incurred during a period to keep the hydrovac fleet at the same number of units plus any other capital expenditures required to maintain the business. This amount will fluctuate period-to-period depending on the number of units retired from the fleet. During the first nine months of 2014 only eight hydrovac units were removed from the fleet.

Financing

Syndicated credit facility

The Corporation has established a $125 million syndicated credit facility. The purpose of the credit facility is to finance the Corporation's capital expenditure program and for general corporate purposes. The credit facility bears interest, at the Corporation's option, at either the bank's prime rate plus a tiered set of basis points or bankers' acceptance rate also with a tiered structure. A stand-by fee is also required on the unused portion of the credit facility on a tiered basis. The prime rate tiers range between zero and 125 basis points. The bankers' acceptance tier ranges from 125 to 250 basis points. The stand-by fee tiers range between 25 and 50 basis points. All of the tiers are based on the Company's Funded Debt to EBITDA ratio. The stand-by fee is expensed as incurred.

The credit facility expires on July 22, 2018.

The syndicated credit facility is collateralized by a general security interest over the Corporation's assets, property and undertaking, present and future.

Under the terms of the credit facilities, the Corporation must comply with certain financial and non-financial covenants, as defined by the bank. Throughout 2014, and as at September 30, 2014, the Corporation was in compliance with all of these covenants.

As at September 30, 2014, the Corporation has issued letters of credit of approximately $2.0 million. The outstanding letters of credit support the U.S. insurance program and reduce the amount available under the syndicated credit facility.

At September 30, 2014, the Corporation had available $93.9 million (June 30, 2014 - $59.2 million under the old facility) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

Senior secured notes

On January 24, 2014 Badger closed a private placement of senior secured notes. The notes, which rank pari passu with the extendable revolving credit facility, have a principal amount of US $75.0 million and an interest rate of 4.83 percent per annum and mature on January 24, 2022. The Canadian dollar equivalent on January 24, 2014 was $82.9 million. Amortizing principal repayments of US $25.0 million are due under the notes on January 24, 2020, January 24, 2021 and January 24, 2022. Interest is paid semi-annually in arrears.

For the nine months ended September 30, 2014, Badger recorded an unrealized foreign exchange loss of $1.2 million. This was due to the impact of the change over the period in the value of the Canadian dollar relative to the US dollar on the Corporation's $75.0 million of US dollar denominated debt.

As of September 30, 2014 and the date of this MD&A Badger is in compliance with all financial covenants under both credit facility agreements.

SHARE CAPITAL

Shares outstanding at September 30, 2013 were 37,033,893. There was no change to the balance as of November 13, 2014.

SELECTED QUARTERLY FINANCIAL INFORMATION

All amounts are $000's except	2014			2013				2012
Per Share amounts are $'s	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	113,121	100,726	100,022	92,240	87,542	73,658	69,154	62,249
Net Profit	16,078	14,249	5,730	11,233	11,774	9,371	7,985	7,888
Net Profit per share - Basic	0.43	0.38	0.15	0.30	0.32	0.25	0.22	0.21
Net Profit per shaare - Diluted	0.43	0.38	0.15	0.30	0.32	0.25	0.22	0.21

CHANGES IN ACCOUNTING POLICIES

The Corporation adopted amendments to IFRS 7, IAS 32, IAS 36, and IFRIC 21 on January 1, 2014. There was no material impact to the Corporation's interim condensed consolidated financial statements as a result of the adoption of those standards.

ACCOUNTING STANDARDS PENDING ADOPTION

The following are the IFRS pronouncements which have been issued but are not yet effective as at June 30, 2013. The pronouncements may, however, have a future impact on the measurement and/or presentation of the Company's consolidated financial statements. The pronouncements are as follows:

i) IFRS 9, 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2015, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. The Company is assessing the impact of this standard on the consolidated financial statements.

ii) IFRS 15, "Revenue from Contracts with Customers" replaces IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers and SIC-31, Revenue - Barter Transactions Involving Advertising Services and is effective for annual periods beginning on or after January 1, 2017. IFRS 15 specifies how and when entities recognize revenue, as well as requires more detailed and relevant disclosures. The new standard provides a single, principles based five-step model to be applied to all contracts with customers, with certain exceptions.

a. Identify the contract(s) with the customer;
b. Identify the performance obligation(s) in the contract;
c. Determine the transaction price;
d. Allocate the transaction price to each performance obligation in the contract;
e. Recognize revenue when (or as) the entity satisfies a performance obligation.

CRITICAL ACCOUNTING ESTIMATES

There have been no material changes to critical accounting estimates since December 31, 2013.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Badger's President and CEO and its VP Finance and CFO have designed, or caused to be designed under their direct supervision, Badger's disclosure controls and procedures (as defined by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, adopted by the Canadian Securities Administrators) to provide reasonable assurance that (i) material information relating to Badger, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared; and (ii) material information required to be disclosed in the annual filings is recorded, processed, summarized and reported on a timely basis. Further, they have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of Badger's disclosure controls and procedures at September 30, 2014 and have concluded the disclosure controls and procedures are fully effective.

Internal Control over Financial Reporting

Badger's President and CEO and its VP Finance and CFO have also designed, or caused to be designed under their direct supervision, Badger's internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Further, using the criteria established in Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, they have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of Badger's internal control over financial reporting at June 30, 2014 and have concluded the internal controls over financial reporting are effective.

Changes in Internal Control over Financial Reporting

In the third quarter of 2014 there were no material changes to Badger's internal control over financial reporting.

Inherent Limitations

Notwithstanding the foregoing, because of its inherent limitations a control system can provide only reasonable assurance that the objectives of the control system are met and may not prevent or detect misstatements. Management's estimates may be incorrect, or assumptions about future events may be incorrect, resulting in varying results. In addition, management has attempted to minimize the likelihood of fraud. However, any control system can be circumvented through collusion and illegal acts.

BUSINESS RISKS

The MD&A for the year ended December 31, 2013, which was filed on SEDAR, includes an overview of business risks associated with the Company. Those business risks remain. The reader is also referred to Badger's 2013 Annual Information Form.