ZEDCOR ENERGY INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2020.

ZEDCOR ENERGY INC.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(Stated in thousands of Canadian dollars)	June 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash	$ 740	$ 170
Accounts receivable	1,863	2,696
Current portion of finance lease receivable	156	150
Income taxes recoverable	43	74
Prepaid expenses and deposits	324	316
	3,126	3,406
Non-current assets:		
Finance lease receivable	1,100	1,180
Property and equipment (note 3)	27,059	29,305
Right-of-use assets	7,893	8,334
	36,052	38,819
Total assets	$39,178	$ 42,225
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,263	$ 911
Current portion of finance lease liability	1,362	1,242
Current debt (note 4)	13,507	2,736
Note payable (note 5)	3,116	—
	$ 19,248	4,889
Non-current liabilities:		
Finance lease liabilities	9,153	9,453
Long term debt (note 4)	3,892	16,709
Note payable (note 5)	—	2,979
	13,045	29,141
Total liabilities	32,293	34,030
Shareholders' equity		
Share capital (note 6)	$ 107,383	$ 107,320
Preferred equity (note 6)	2,864	2,864
Warrants (note 7)	500	468
Contributed surplus	1,522	1,505
Deficit	(105,384)	(103,962)
	6,885	8,195
Total liabilities and shareholders' equity	$ 39,178	$ 42,225

The accompanying notes are an integral part of these condensed consolidated financial statements

ZEDCOR ENERGY INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited)

	Three months ended		Six months ended	
(Stated in thousands of Canadian dollars, except per share amounts)	**June 30, 2020**	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
Revenues	**$ 2,412**	**$ 3,750**	**$ 7,127**	**$ 9,713**
Direct expenses				
Direct operating costs	884	1,622	2,687	3,945
Depreciation of equipment (note 3)	1,156	1,363	2,340	2,788
	2,040	2,985	5,027	6,733
Gross margin	**372**	**765**	**2,100**	**2,980**
Operating expenses				
General and administrative	653	885	1,550	1,797
Depreciation of other property and equipment	29	31	61	59
Depreciation of right-of-use assets	330	340	667	680
(Gain) Loss on sale of equipment (note 3)	(269)	152	(320)	533
Amortization of intangible assets	—	165	—	330
	743	1,573	1,958	3,399
Other expenses				
Finance costs (note 9)	782	1,016	1,601	2,107
Loss on foreign exchange	6	—	6	—
	1,531	2,589	3,565	5,506
Loss before income taxes	**(1,159)**	**(1,824)**	**(1,465)**	**(2,526)**
Income taxes recovery				
Current recovery	(24)	(19)	(43)	(38)
Net loss and comprehensive loss for the period	**(1,135)**	**$ (1,805)**	**$ (1,422)**	**$ (2,488)**
Basic and diluted loss per share	$ (0.02)	$ (0.03)	$ (0.03)	$ (0.05)
Weighted average number of shares outstanding				
Basic	55,008,389	53,409,193	54,736,530	53,262,655
Diluted	55,008,389	53,409,193	54,736,530	53,262,655

The accompanying notes are an integral part of these condensed consolidated financial statements

ZEDCOR ENERGY INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

(Stated in thousands of Canadian dollars)	Share capital	Preferred shares	Warrants	Contributed surplus	Deficit	Total
Balance – December 31, 2018	$ 107,195	$ 2,864	$ 412	$ 1,418	$ (95,720)	$ 16,169
Stock based compensation	—	—	—	47	—	47
Amendment of exercise price	—	—	56	—	—	56
Shares issued as consideration for loan guarantee	63	—	—	—	—	63
Adjustment on initial application of IFRS 16	—	—	—	—	(207)	(207)
Comprehensive loss	—	—	—	—	(2,488)	(2,488)
Balance – June 30, 2019	$ 107,258	$ 2,864	$ 468	$ 1,465	$ (98,415)	$ 13,640
Stock based compensation (note 8)	—	—	—	40	—	40
Shares issued as consideration for loan guarantee	62	—	—	—	—	62
Comprehensive loss	—	—	—	—	(5,547)	(5,547)
Balance – December 31, 2019	107,320	2,864	468	1,505	(103,962)	8,195
Stock based compensation (note 8)	—	—	—	17	—	17
Issuance of warrants (note 7)	—	—	6	—	—	6
Amendment of exercise price (note 7)	—	—	26	—	—	26
Shares issued as consideration for loan guarantee	63	—	—	—	—	63
Comprehensive loss	—	—	—	—	(1,422)	(1,422)
Balance – June 30, 2020	$ 107,383	$ 2,864	$ 500	$ 1,522	$ (105,384)	$ 6,885

The accompanying notes are an integral part of these condensed consolidated financial statements

ZEDCOR ENERGY INC.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(Stated in thousands of Canadian dollars)	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Cash provided by (used in):				
Operating				
Net loss from continuing operations	$ (1,135)	$ (1,805)	$ (1,422)	$ (2,488)
Depreciation of property and equipment (note 3)	1,185	1,394	2,401	2,847
Depreciation of right-of-use assets	330	340	667	680
(Gain) loss on disposal of property and equipment (note 3)	(269)	152	(320)	533
Amortization of intangible assets	-	165	-	330
Stock based compensation (note 8)	8	21	17	47
Non-cash interest expense and other financing costs	151	97	281	243
Receipt of finance lease receivable	37	28	74	63
Income taxes recovered	74	70	74	70
	381	462	1,772	2,325
Changes in non-cash working capital	1,841	2086	1,405	949
Cash flow from operating activities	2,222	**2,548**	**3,177**	**3,274**
Investing				
Change in non-cash working capital related to investing activities	(612)	6	(272)	(605)
Purchase of property and equipment (note 3)	(210)	(156)	(897)	(898)
Proceeds from sale of property and equipment (note 3)	916	398	1,051	863
Cash flow from (used by) investing activities	94	**248**	**(118)**	**(640)**
Financing				
Proceeds from debt	—	—	115	1,172
Repayment of debt	(1,652)	(2,337)	(2,211)	(2,951)
Payment of finance lease liability	(133)	(321)	(393)	(705)
Cash flow used by financing activities	(1,785)	**(2,658)**	**(2,489)**	**(2,484)**
Net change in cash in the period	531	138	570	150
Cash, beginning of period	209	173	170	161
Cash, end of period	**$ 740**	**$ 311**	**$ 740**	**$ 311**

The accompanying notes are an integral part of these condensed consolidated financial statements

1. CORPORATE INFORMATION:

Zedcor Energy Inc. (the "Company") was formed under the laws of Alberta as a corporation on August 10, 2011. On June 27, 2017, the Company received shareholder approval for the name change from Canadian Equipment Rentals Corp. to Zedcor Energy Inc.

The Company operates with two primary service lines across Western Canada:

1) Security & surveillance which provides technology based remote surveillance, live monitoring and security personnel to customers involved in pipeline construction, civil & municipal construction, oil & gas exploration and emergency response.
2) Rentals (formerly energy services) which provides surface equipment rentals, temporary accommodation rentals, and power generation rentals to customers involved in oil & gas exploration, construction, and emergency response.

The Company is listed on the TSX Venture Exchange under the symbol ZDC.

2. BASIS OF PREPARATION:

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. These condensed consolidated interim financial statements do not include all of the information required for full financial disclosure. The disclosures provided below are incremental to those included in the annual financial statements and certain disclosures, which are normally required to be included in the notes to annual financial statements, have been condensed or omitted. The same accounting policies and methods of computation were followed in the preparation of these interim financial statements as were followed in the preparation of the Company's annual financial statements for the year ended December 31, 2019, except as noted below. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2019.

These consolidated financial statements were approved by the Board of Directors on August 13, 2020 and are presented in Canadian dollars, which is the Company's functional currency.

b) Basis of presentation and going concern

These consolidated financial statements have been prepared based on accounting policies applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In the presentation of financial statements, Management is required to identify where events or conditions indicate that significant doubt may exist about the Company's ability to continue as a going concern.

As at June 30, 2020, the Company was in compliance with all financial covenants pertaining to its bank debt. During the six month period ended June 30, 2020, due to the economic instability caused by the COVID-19 global pandemic the shares pledged under the shareholder guarantee for the Company's Term Loan Facility had dropped below the minimum trade value requirement. Subsequent to the drop, the share price recovered and traded above the minimum value. During the three month period ended June 30, the Company's lenders have acknowledged the breach and the shares pledged under the shareholder guarantee are above the minimum trade value requirements as at June 30, 2020.

Due to the current volatility in the oil and gas sector, from which a significant portion of the Company's revenue is derived, and the given the economic uncertainty due to the COVID-19 pandemic there is uncertainty as to whether the Company will remain in compliance with its debt covenants for the next 12 months.

These circumstances cause material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern. If the going concern basis was not appropriate for these consolidated financial statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and the statement of financial position classification, and such adjustments could be material.

c) Significant accounting policies

The significant accounting policies adopted in the preparation of these condensed consolidated financial statements are the same as those set out in the annual audited consolidated financial statements for the year ended December 31, 2019, unless otherwise noted.

During the six month period ending June 30, 2020, the Company adopted the following accounting policy as a result of qualifying for the Canada Emergency Wage Subsidy ("CEWS") program as enacted on April 11, 2020, by the federal Government of Canada. This standard was in effect for the year ended December 31, 2019 but was not applicable to the Company at that time.

Government Subsidies

Government subsidies are recognized when there is reasonable assurance that the subsidy will be received and that the Company will comply with all relevant conditions. Government subsidies related to current expenses are recorded as a reduction of the related expenses. During the six month period ended June 30, 2020, the Company qualified for the CEWS program and recognized $241 as a reduction to direct operating costs (six months ended June 30, 2019 - $nil) and $113 as a reduction to general and administrative expenses (six months ended June 30, 2019 - $nil).

In addition, in response to the COVID-19 pandemic, the International Accounting Standards Board has issued amendments to International Financial Reporting Standard ("IFRS") 16 – Leases. This amendment introduces a practical expedient which allows lessees not to account for rent concessions as lease modifications if they are a direct consequence of COVID-19 and meet certain other conditions. The Company has applied this guidance to rent concessions received during the period ended June 30, 2020.

IN THOUSANDS OF CANADIAN DOLLARS

3. PROPERTY AND EQUIPMENT:

	Rental equipment	Automotive & other equipment	Office furniture & equipment	Leasehold improvements	Total
At December 31, 2018	61,433	367	1,000	130	62,930
Additions	1,346	6	105	40	1,497
Disposals	(6,017)	(135)	(4)	—	(6,156)
At December 31, 2019	56,762	238	1,101	170	58,271
Additions	868	—	29	—	897
Disposals	(1,901)	—	—	—	(1,901)
At June 30, 2020	55,729	238	1,130	170	57,267

Accumulated depreciation	Rental equipment	Automotive & other equipment	Office furniture & equipment	Leasehold improvements	Total
At December 31, 2018	22,882	260	611	102	23,855
Depreciation	5,284	42	130	22	5,478
Elimination on disposal	(2,523)	(94)	(2)	—	(2,619)
Impairment	2,252	—	—	—	(2,252)
At December 31, 2019	27,895	208	739	124	28,966
Depreciation	2,320	10	64	7	2,401
Elimination on disposal	(1,159)	—	—	—	(1,159)
At June 30, 2020	29,056	218	803	131	30,208

Net Book Value	Rental equipment	Automotive & other equipment	Office furniture & equipment	Leasehold improvements	Total
At December 31, 2019	28,867	30	362	46	29,305
At June 30, 2020	26,673	20	327	39	27,059

During the six months ended June 30, 2020, the Company sold assets with a net book value of $742 for proceeds of $1,051, resulting in a gain of $309 (six months ended June 2019 – loss $533). During the six months ended June 30, 2020, the Company also disposed of right of use assets with a net book value of $28. This reduced finance lease liabilities by $39 and resulted in a gain on sale of equipment of $11 (six months ended June 2019 – $nil).

The Company reviews the carrying value of its long-lived assets and cash generating units at each reporting date to determine whether there is any indication of impairment. The Company performed an impairment test for property and equipment on the Rentals cost generating unit ("CGU") during the first quarter of the year which did not result in an impairment. For the three months ended June 20, 2020 no triggers for impairment were identified for the Rentals CGU, nor the Security & Surveillance CGU.

IN THOUSANDS OF CANADIAN DOLLARS

4. CREDIT FACILITIES:

	Interest rate	Final maturity	Facility maximum	Outstanding as at June 30, 2020	Outstanding as at December 31, 2019
Loan and Security Facility	12.75%	2021	14,300	11,406	12,094
Operating Loan Facility	Prime + 5.00%	revolving	3,000	—	878
Term Loan Facility	Prime + 5.00%	2021	2,550	2,549	2,500
Equipment Term Loan Facility	6.10% to 6.35%	2020 to 2023	8,000	3,444	3,973
				17,399	19,445
Current portion				(13,507)	(2,736)
Long term debt				3,892	16,709

Loan and Security Facility:

The Loan and Security Facility, which was renewed in December 2019, bears interest at a rate of 12.75% and has a term of 15 months from the renewal date with an option to renew for an additional 12 months at the satisfaction of the lender. The Loan and Security Facility does not require quantitative financial covenants, but imposed restrictions on the Loan's collateral, being the property and equipment of the Company.

On January 10, 2020, as part of the renewal, the Company issued the lender an additional 112,565 share purchase warrants. Each warrant entitles the lender to acquire one common share in the Company at an exercise price of $0.145 per warrant. The warrants expire on January 25, 2023. The Company also entered into a Warrant Amendment Agreement which extended the expiry dated of the previously issued warrants to January 25, 2023.

Operating Loan, Term Loan and Equipment Term Loan Facilities:

The Operating Loan Facility, the Term Loan Facility and the Equipment Term Loan Facility are comprised of a:

- $3.0 million Operating Loan Facility which is payable on demand by the lender, bears interest at a rate of Prime plus 3.3% and is secured by the Company's accounts receivable.
- $2.5 million term loan which matures on August 16, 2021, bears interest at a rate of Prime plus 5.0%, is secured by a shareholder guarantee and a pledge of shares owned by a shareholder.
- $8.0 million equipment finance term loan which is amortized over 36 to 60 months, bears interest at a rates of 6.10% to 6.35% and is repayable in equal monthly installments of principal and interest over the term with maturity dates between 2020 and 2023, and is secured by certain assets of the Company.

These loans require the Company's current ratio does not fall below 1.50:1.00 and the debt service coverage ratio does not fall below 1.00:1.00 until December 31, 2020 and 1.25:1.00 thereafter. In addition, the shares pledged under the shareholder guarantee must maintain a minimum trading value.

IN THOUSANDS OF CANADIAN DOLLARS

During the first quarter of the year, the value of the shares pledged under the shareholder guarantee were below the minimum trade value requirements. During the three months ended June 30, 2020, the lender acknowledged this and did not call the Credit Facilities. As a result of the shares dropping below the minimum trade value requirements, the interest rate on the Operating Loan Facility and Term Loan Facility were increased from Prime plus 3.3% to Prime plus 5.0%. Subsequent to March 31, 2020 the value of the shares exceeded the minimum trade value.

As at June 30, 2020, the Company's current ratio, as defined to exclude the current portion of debt, was 2.35:1.00; the debt service coverage ratio, calculated in accordance with IAS 17 per agreement with lender, was 1.17:1.00. The value of the shares pledged under the shareholder guarantee were above the minimum trade value requirements and the Company was in compliance with all of its covenants with its lenders.

Due to the volatility in the markets as a result of the COVID-19 pandemic, the Company is reliant on the continued support of its lenders. In addition, given the given the unprecedented nature and the uncertainty of the duration of the COVID-19 pandemic there is uncertainty as to whether the Company will remain in compliance with its debt covenants during the next 12 months (see Note 2(b)).

5. NOTE PAYABLE

Balance, December 31, 2018	**$ 2,716**
Interest payable	125
Accretion of note payable discount	138
Balance, December 31, 2019	**$ 2,979**
Interest payable	63
Accretion of note payable discount	74
Balance, June 30, 2020	**3,116**

The unsecured, subordinated Note Payable, which is due to a corporation controlled by a director of the company, matures on February 2, 2021 at its nominal value of $2.5 million and bears interest at 5% per annum, accruing daily from the issue date. Interest is payable annually but the Company has not made any interest payments on the note, in agreement with the holder. The Note Payable is unsecured and subordinated to the Loan and Security Facility and interest payments are subject to certain restrictions in the Loan and Security Facility.

During the period, the Company has agreed with the note holder to change certain terms and conditions of the Note Payable. In particular, and subject to the approval of the TSX Venture Exchange and the Company's lenders, it is proposed that the interest rate provided for under the Note Payable will be changed from 5% to 7% and the maturity date thereunder will be changed from February 2, 2021 to February 2, 2022. It is expected that the approval from the TSX Venture Exchange and the Company's lenders will be obtained in the third quarter of 2020.

IN THOUSANDS OF CANADIAN DOLLARS

6. SHARE CAPITAL

Common shares issued and fully paid:	**Number of shares**	**$**
Balance, December 31, 2018	**52,881,469**	**107,195**
Issued as consideration for loan guarantee	1,363,306	125
Balance, December 31, 2019	**54,244,775**	**107,320**
Issued as consideration for loan guarantee	894,466	63
Balance, June 30, 2020	**55,139,241**	**107,383**

Preferred shares issued:	**Number of shares**	**$**
Balance, December 31, 2019 and June 30, 2020	**4,400,000**	**2,864**

On February 2, 2016, the Company issued 4,400,000 preferred shares at a stated value of $0.70 per share as part of an acquisition. The fair value of the preferred shares at the acquisition date was estimated to be $2,864. The preferred shares valuation was determined using a Monte Carlo simulation and Longstaff-Schwartz algorithm. The assumptions used in the valuation include the historical stock price of the Company, the historical volatility of the Company stock price and a Company credit rating of B-.

The Preferred Shares are non-voting and non-transferrable, have a stated value of $0.70 per share and a term of five years. The Preferred Shares have a cumulative dividend of 5% of the stated value commencing on January 31, 2017 until January 31, 2019 and a 10% cumulative dividend from January 31, 2019 thereafter, with dividend payments being subject to certain restrictions in the Company's existing secured credit facilities, and at the discretion of the Board of Directors. The dividend can be settled at the discretion of the Company in either cash or through the issuance of Common Shares based on the conversion price of $0.70.

After January 31, 2020, the Preferred Shares may be converted by the holder thereof into the Company's Common Shares at a conversion price of $0.70 per share, subject to the right of Company to redeem the Preferred Shares prior to such conversion for a cash amount per share equal to the lesser of: (i) $2.00; and (ii) the current market price of the Common Shares.

Zedcor Energy Inc. shall have the right to redeem the Preferred Shares at any time if the current market price of the Common Shares exceeds $2.00 by either, at Company's sole option, (i) payment of cash of $2.00 per Preferred Share; or (ii) through the issuance of 4,400,000 Common Shares, subject to certain adjustments.
The Preferred Shares may be redeemed at the end of the term, at the Company's sole option, for either (i) a cash amount per share equal to the lesser of $2.00 and the current market price; or (ii) 4,400,000 Common Shares, subject to certain adjustments.

IN THOUSANDS OF CANADIAN DOLLARS

7. WARRANTS:

Changes in the outstanding number, weighted average exercise price and movements in warrants are as follows:

Warrants issued:	**Number of warrants**	**$**
Balance, December 31, 2018	**3,899,710**	**412**
Amendment of exercise price – March 25, 2019	—	56
Additional warrants issued per financing agreement – March 25, 2019	2,068	—
Balance, December 31, 2019	**3,901,778**	**468**
Amendment of expiry date – January 10, 2020	—	26
Additional warrants issued per financing agreement – January 10, 2020	112,565	6
Balance, June 30, 2020	**4,014,343**	**500**

On January 10, 2020, the Company entered into a Warrant Amendment Agreement which extended the expiry date of outstanding warrants to January 25, 2023.

On January 10, 2020, the Company issued the lender an additional 112,565 shares purchase warrants. Each warrant entitles the lender to acquire one common share in the Company at an exercise price of $0.145 per warrant. The warrants expire on January 25, 2023. The Black-Scholes estimate of fair value used the following assumptions:

Issue date	**January 10, 2020**
Expected annual dividend	$0.00
Expected volatility	126.8%
Risk-free interest rate	1.66%
Expected life of warrants	3.1 years

8. STOCK OPTIONS:

Changes in the outstanding and exercisable options are as follows:

	Number of options	**Vested**	**Exercise price**	**Remaining contractual life in years**	**Weighted average exercise price**
Options as at December 31, 2019	**3,500,000**	**1,666,660**	—	**2.91**	**0.28**
Options vested	—	166,667	0.15	—	—
Options forfeited	(1,025,000)	(258,327)	0.24	—	—
Options granted – May 28, 2020	2,890,000	—	0.15	4.91	0.15
Options cancelled – June 22, 2020	(1,525,000)	(1,408,333)	—	1.78	0.34
Options as at June 30, 2020	**3,840,000**	**166,667**	—	**4.48**	**0.16**

IN THOUSANDS OF CANADIAN DOLLARS

During the three ended June 30, 2020, $8 of stock based compensation expense related to these stock options was recorded in general and administrative expenses which includes $4 related to the options cancelled on June 22, 2020 (three months ended June 30, 2019 - $21); during the six months ended June 30, 2020, $17 of stock based compensation related to these stock options was recorded in general and administrative expenses (six months ended June 30, 2019 - $47).

9. FINANCE COSTS:

Finance costs are comprised of the following:

	For the three months ended		For the six months ended	
	June 30, 2020	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
Bank charges and interest	4	8	8	13
Interest on debt	547	766	1,130	1,668
Interest on note payable	70	66	137	129
Interest on finance leases	161	176	326	297
	782	1,016	1,601	2,107

10. OPERATING SEGMENTS:

The Company structures its operations in two operating and reportable segments: (i) Security & Surveillance and (ii) Rentals (formerly Energy Services), based on the way that management organizes the Company's businesses for making operating decisions and assessing performance.

Information regarding results of the segments are included below. Performance is measured based on segment earnings, which is earnings before income tax, depreciation, amortization and finance costs, as included in internal management reports.

The following is a summary of the Company's results by segment for the three and six months ended June 30, 2020 and 2019:

Three months ended June 30, 2020				
	Security & Surveillance	**Rentals**	**Corporate**	**Total**
Total segment revenue	1,441	971	—	2,412
Segment earnings	876	188	(189)	875
Depreciation of property and equipment	335	837	13	1,185
Depreciation of right-of-use assets	59	139	132	330
Gain on sale of equipment	—	269	—	269
Additions to property and equipment	145	64	—	209

IN THOUSANDS OF CANADIAN DOLLARS

Three months ended June 30, 2019				
	Security & Surveillance	**Rentals**	**Corporate**	**Total**
Total segment revenue	1,184	2,566	—	3,750
Segment earnings	268	1,202	(227)	1,243
Depreciation of property and equipment	184	1,197	13	1,394
Depreciation of right-of-use assets	—	209	131	340
Loss on sale of equipment	—	152	—	152
Amortization of intangible assets	—	165	—	165
Additions to property and equipment	143	13	—	156

Six months ended June 30, 2020				
	Security & Surveillance	**Rentals**	**Corporate**	**Total**
Total segment revenue	2,870	4,257	—	7,127
Segment earnings	1,517	1,815	(442)	2,890
Depreciation of property and equipment	582	1,795	24	2,401
Depreciation of right-of-use assets	59	345	263	667
Gain on sale of equipment	—	320	—	320
Additions to property and equipment	772	125	—	897

Six months ended June 30, 2019				
	Security & Surveillance	**Rentals**	**Corporate**	**Total**
Total segment revenue	2,981	6,732	—	9,713
Segment earnings	1,083	3,444	(556)	3,971
Depreciation of property and equipment	366	2,455	26	2,847
Depreciation of right-of-use assets	—	415	262	680
Loss on sale of equipment	12	521	—	533
Amortization of intangible assets	—	330	—	330
Additions to property and equipment	269	629	—	898

As at June 30, 2020				
	Security & Surveillance	**Rentals**	**Corporate**	**Total**
Property and equipment	6,627	20,348	84	27,059
Right-of-use assets	3,373	1,310	3,210	7,893

IN THOUSANDS OF CANADIAN DOLLARS

	As at June 30, 2019			
	Security & Surveillance	**Rentals**	**Corporate**	**Total**
Property and equipment	4,119	31,479	132	35,730
Right-of-use assets	—	5,296	3,735	9,031
Intangibles and goodwill	—	110	—	110

A reconciliation of segment earnings to loss before taxes is as follows:

	Three months ended		Six months ended	
	June 30, 2020	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
Segment earnings	875	1,243	2,890	3,971
Deduct:				
Finance costs	782	1,016	1,601	2,107
Loss on foreign exchange	6	—	6	—
Amortization of intangibles	—	165	—	330
Depreciation of equipment	1,185	1,394	2,401	2,847
Depreciation of right of use assets	330	340	667	680
(Gain) loss on sale of equipment	(269)	152	(320)	533
Loss before taxes	(1,159)	(1,824)	(1,465)	(2,526)