Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Operations
(in thousands of Canadian dollars, except per share information)
(unaudited)

	Three months ended January 31		Nine months ended January 31	
	2020	2019	**2020**	2019
TOTAL REVENUE	**$ 81,719**	$ 80,439	**$ 320,360**	$ 284,425
DIRECT COSTS	**67,309**	64,814	**241,242**	216,469
GROSS PROFIT	**14,410**	15,625	**79,118**	67,956
OPERATING EXPENSES				
General and administrative	**11,974**	11,884	**35,209**	35,526
Other expenses	**33**	1,009	**2,766**	3,305
Gain on disposal of property, plant and equipment	**(27)**	(89)	**(171)**	(375)
Foreign exchange (gain) loss	**(252)**	17	**214**	961
Finance costs	**293**	142	**716**	593
Depreciation and amortization	**9,940**	9,817	**29,629**	31,092
Restructuring charge (note 11)	**2,116**	6,897	**2,116**	6,897
	24,077	29,677	**70,479**	77,999
(LOSS) EARNINGS BEFORE INCOME TAX	**(9,667)**	(14,052)	**8,639**	(10,043)
INCOME TAX - (RECOVERY) PROVISION (note 7)				
Current	**(588)**	531	**4,859**	6,108
Deferred	**868**	1,323	**435**	(1,024)
	280	1,854	**5,294**	5,084
NET (LOSS) EARNINGS	**$ (9,947)**	$ (15,906)	**$ 3,345**	$ (15,127)
(LOSS) EARNINGS PER SHARE (note 8)				
Basic	**$ (0.12)**	$ (0.20)	**$ 0.04**	$ (0.19)
Diluted	**$ (0.12)**	$ (0.20)	**$ 0.04**	$ (0.19)

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Comprehensive Loss
(in thousands of Canadian dollars)
(unaudited)

	Three months ended January 31		Nine months ended January 31	
	2020	2019	**2020**	2019
NET (LOSS) EARNINGS	**$ (9,947)**	$ (15,906)	**$ 3,345**	$ (15,127)
OTHER COMPREHENSIVE EARNINGS				
Items that may be reclassified subsequently to profit or loss				
Unrealized (loss) gain on foreign currency translations (net of tax)	**(500)**	2,691	**(8,639)**	4,995
Unrealized (loss) gain on derivatives (net of tax)	**(60)**	22	**876**	(319)
COMPREHENSIVE LOSS	**$ (10,507)**	$ (13,193)	**$ (4,418)**	$ (10,451)

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Changes in Equity
For the nine months ended January 31, 2020 and 2019
(in thousands of Canadian dollars)
(unaudited)

	Share capital	Reserves	Share-based payments reserve	Retained earnings	Foreign currency translation reserve	Total
BALANCE AS AT MAY 1, 2018	$ 241,264	$ 36	$ 19,721	$ 41,360	$ 70,021	$ 372,402
Share-based compensation	-	-	403	-	-	403
	241,264	36	20,124	41,360	70,021	372,805
Comprehensive earnings:						
Net loss	-	-	-	(15,127)	-	(15,127)
Unrealized gain on foreign currency translations	-	-	-	-	4,995	4,995
Unrealized loss on derivatives	-	(319)	-	-	-	(319)
Total comprehensive loss	-	(319)	-	(15,127)	4,995	(10,451)
BALANCE AS AT JANUARY 31, 2019	$ 241,264	$ (283)	$ 20,124	$ 26,233	$ 75,016	$ 362,354
BALANCE AS AT MAY 1, 2019	**$ 241,264**	**$ (570)**	**$ 20,247**	**$ 23,276**	**$ 78,783**	**$363,000**
Share issue (note 10)	**1,925**	**-**	**-**	**-**	**-**	**1,925**
Share-based compensation	**-**	**-**	**194**	**-**	**-**	**194**
	243,189	**(570)**	**20,441**	**23,276**	**78,783**	**365,119**
Comprehensive earnings:						
Net earnings	**-**	**-**	**-**	**3,345**	**-**	**3,345**
Unrealized loss on foreign currency translations	**-**	**-**	**-**	**-**	**(8,639)**	**(8,639)**
Unrealized gain on derivatives	**-**	**876**	**-**	**-**	**-**	**876**
Total comprehensive loss	**-**	**876**	**-**	**3,345**	**(8,639)**	**(4,418)**
BALANCE AS AT JANUARY 31, 2020	**$ 243,189**	**$ 306**	**$ 20,441**	**$ 26,621**	**$ 70,144**	**$360,701**

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Cash Flows
(in thousands of Canadian dollars)
(unaudited)

	Three months ended January 31		Nine months ended January 31	
	2020	2019	**2020**	2019
OPERATING ACTIVITIES				
(Loss) earnings before income tax	**$ (9,667)**	$ (14,052)	**$ 8,639**	$ (10,043)
Operating items not involving cash				
Depreciation and amortization	**9,940**	9,817	**29,629**	31,092
Gain on disposal of property, plant and equipment	**(27)**	(89)	**(171)**	(375)
Share-based compensation	**53**	126	**194**	403
Restructuring charge (non-cash portion) (note 11)	**1,503**	6,047	**1,503**	6,047
Finance costs recognized in earnings before income tax	**293**	142	**716**	593
	2,095	1,991	**40,510**	27,717
Changes in non-cash operating working capital items	**10,675**	10,730	**6,043**	7,183
Finance costs paid	**(293)**	(142)	**(716)**	(593)
Income taxes paid	**(1,581)**	(2,316)	**(6,185)**	(6,873)
Cash flow from operating activities	**10,896**	10,263	**39,652**	27,434
FINANCING ACTIVITIES				
Repayment of lease liabilities (note 3)	**(446)**	-	**(1,290)**	-
Repayment of long-term debt	**(252)**	(355)	**(808)**	(1,628)
Cash flow used in financing activities	**(698)**	(355)	**(2,098)**	(1,628)
INVESTING ACTIVITIES				
Business acquisitions (net of cash acquired) (note 10)	**(13,945)**	-	**(13,945)**	-
Acquisition of property, plant and equipment (net of unpaid) (note 6)	**(8,784)**	(6,315)	**(24,892)**	(19,166)
Proceeds from disposal of property, plant and equipment	**72**	1,877	**800**	9,643
Cash flow used in investing activities	**(22,657)**	(4,438)	**(38,037)**	(9,523)
Effect of exchange rate changes	**(183)**	(448)	**(145)**	452
(DECREASE) INCREASE IN CASH	**(12,642)**	5,022	**(628)**	16,735
CASH, BEGINNING OF THE PERIOD	**39,380**	32,969	**27,366**	21,256
CASH, END OF THE PERIOD	**$ 26,738**	$ 37,991	**$ 26,738**	$ 37,991

Major Drilling Group International Inc.
Interim Condensed Consolidated Balance Sheets
As at January 31, 2020 and April 30, 2019
(in thousands of Canadian dollars)
(unaudited)

	January 31, 2020	April 30, 2019
ASSETS		
CURRENT ASSETS		
Cash	$ **26,738**	$ 27,366
Trade and other receivables	**65,604**	88,029
Note receivable	**174**	560
Income tax receivable	**5,163**	3,978
Inventories	**96,372**	90,325
Prepaid expenses	**4,448**	5,099
	198,499	215,357
PROPERTY, PLANT AND EQUIPMENT (note 6)	**169,950**	164,266
DEFERRED INCOME TAX ASSETS	**20,836**	23,374
GOODWILL	**65,445**	58,300
INTANGIBLE ASSETS (note 10)	**1,040**	-
	$ **455,770**	$ 461,297
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	$ **54,090**	$ 63,376
Income tax payable	**1,094**	1,209
Current portion of lease liabilities (note 3)	**1,791**	-
Current portion of long-term debt	**989**	1,060
	57,964	65,645
LEASE LIABILITIES (note 3)	**3,862**	-
CONTINGENT CONSIDERATION (note 10)	**1,807**	**-**
LONG-TERM DEBT	**15,608**	16,298
DEFERRED INCOME TAX LIABILITIES	**15,828**	16,354
	95,069	98,297
SHAREHOLDERS' EQUITY		
Share capital	**243,189**	241,264
Reserves	**306**	(570)
Share-based payments reserve	**20,441**	20,247
Retained earnings	**26,621**	23,276
Foreign currency translation reserve	**70,144**	78,783
	360,701	363,000
	$ **455,770**	$ 461,297

1. NATURE OF ACTIVITIES

Major Drilling Group International Inc. (the "Company") is incorporated under the Canada Business Corporations Act and has its head office at 111 St. George Street, Suite 100, Moncton, NB, Canada. The Company's common shares are listed on the Toronto Stock Exchange ("TSX"). The principal source of revenue consists of contract drilling for companies primarily involved in mining and mineral exploration. The Company has operations in Canada, the United States, Mexico, South America, Asia, Africa and Europe.

2. BASIS OF PRESENTATION

Statement of compliance
These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") and using the accounting policies as outlined in the Company's annual Consolidated Financial Statements for the year ended April 30, 2019, except as described in note 3.

On February 27, 2020, the Board of Directors authorized the financial statements for issue.

Basis of consolidation
These Interim Condensed Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the period are included in the Interim Condensed Consolidated Statements of Operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-group transactions, balances, income and expenses are eliminated on consolidation, where appropriate.

Basis of preparation
These Interim Condensed Consolidated Financial Statements have been prepared based on the historical cost basis except for certain financial instruments that are measured at fair value and certain assets remeasured at their recoverable or realizable amounts as disclosed, using the same accounting policies and methods of computation as presented in the Company's annual Consolidated Financial Statements for the year ended April 30, 2019, except as described in note 3.

3. ADOPTION OF NEW IFRS

The Company adopted IFRS 16 Leases ("IFRS 16"), which replaces IAS 17 Leases, for its annual period beginning May 1, 2019 using the modified retrospective approach whereby no restatement of comparative periods is required. Under IAS 17, leases of property, plant and equipment were recognized as finance leases when substantially all the risks and rewards of ownership of the underlying assets were transferred. All other leases were classified as operating leases. IFRS 16 requires lessees to recognize right-of-use assets, representing its right to use the underlying asset, and lease liabilities, representing its obligation to make payments. Right-of-use assets are measured at cost, comprised of the initial measurement of the corresponding lease liabilities, lease payments made on or before the commencement date and any initial direct costs. They are subsequently depreciated on a straight-line basis and reduced by impairment losses, if any. Right-of-use assets may also be adjusted to reflect the re-measurement of related lease liabilities. Lease liabilities are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Subsequently, the lease liability is measured at amortized cost using the effective interest rate method and adjusted for interest and lease payments.

(in thousands of Canadian dollars, except per share information)

3. ADOPTION OF NEW IFRS (Continued)

On transition, the Company recognized lease liabilities and right-of-use assets for 14 leases, previously classified as operating leases, in the amount of $2,903. As permitted by IFRS 16, the Company elected not to recognize lease liabilities and right-of-use assets for short-term leases (lease term of 12 months or less) and leases of low-value assets. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets as at the transition date.

Operating lease commitments disclosed as at April 30, 2019	$	4,147
Less: short-term operating lease commitments		(1,006)
		3,141
Discounted using the incremental borrowing rate		(238)
Lease liabilities recognized as at May 1, 2019		**2,903**
Add: additional lease liabilities recognized during the period		**3,907**
Finance costs (accretion of interest)		**133**
Repayment of lease liabilities		**(1,290)**
		5,653
Current portion as at January 31, 2020		**1,791**
Non-current portion as at January 31, 2020	**$**	**3,862**

In prior periods presented, before the adoption of IFRS 16, expenses for lease liabilities were included with general and administrative expenses on the Company's Statement of Operations.

Right-of-use assets
The recognized right-of-use assets are included in property, plant and equipment on the Company's Interim Condensed Consolidated Balance Sheet.

Balance as at May 1, 2019	**$**	**2,903**
Add: additional right-of-use assets recognized during the period		**4,034**
Depreciation		**(1,266)**
Balance as at January 31, 2020	**$**	**5,671**

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of financial statements, in conformity with International Financial Reporting Standards ("IFRS"), requires management to make judgments, estimates and assumptions that are not readily apparent from other sources, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Significant areas requiring the use of management estimates relate to the useful lives of property, plant and equipment for depreciation purposes, property, plant and equipment and inventory valuation, determination of income and other taxes, assumptions used in the compilation of share-based payments, fair value of assets acquired and liabilities assumed in business acquisitions, amounts recorded as accrued liabilities, contingent consideration and allowance for doubtful accounts, and impairment testing of goodwill and intangible assets.

(in thousands of Canadian dollars, except per share information)

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS (Continued)

The Company applied judgment in determining the functional currency of the Company and its subsidiaries, the determination of cash-generating units ("CGUs"), the degree of componentization of property, plant and equipment, the recognition of provisions and accrued liabilities, and the determination of the probability that deferred income tax assets will be realized from future taxable earnings.

5. SEASONALITY OF OPERATIONS

The third quarter (November to January) is normally the Company's weakest quarter due to the shutdown of mining and exploration activities, often for extended periods over the holiday season.

6. PROPERTY, PLANT AND EQUIPMENT

Capital expenditures for the three and nine months ended January 31, 2020 were $9,874 (2019 - $6,315) and $25,982 (2019 - $19,166). The unpaid portion of capital expenditures for the three and nine months ended January 31, 2020 was $1,090 (2019 - nil).

7. INCOME TAXES

The income tax provision for the period can be reconciled to accounting earnings before income tax as follows:

	Q3 2020	Q3 2019	**YTD 2020**	YTD 2019
(Loss) earnings before income tax*	**$ (9,667)**	$ (14,052)	**$ 8,639**	$ (10,043)
Statutory Canadian corporate income tax rate	**27%**	27%	**27%**	27%
Expected income tax provision based on statutory rate	**(2,610)**	(3,794)	**2,332**	(2,711)
Non-recognition of tax benefits related to losses	**949**	2,729	**1,321**	4,245
Utilization of previously unrecognized losses	**303**	56	**(280)**	(16)
Other foreign taxes paid	**43**	184	**365**	478
Rate variances in foreign jurisdictions	**(316)**	(84)	**(477)**	(145)
De-recognition of previously recognized Colombia (2019 - Burkina Faso) losses	**1,505**	1,212	**1,505**	1,212
Permanent differences and other	**406**	1,551	**528**	2,021
Income tax provision recognized in net (loss) earnings	**$ 280**	$ 1,854	**$ 5,294**	$ 5,084

*(Loss) earnings before income tax includes restructuring charges (as detailed in note 11) in the current quarter and year of $2,116 (2019 - $6,897) for which no deferred tax asset has been recognized.

The Company periodically assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Company records its best estimate of these tax liabilities, including related interest charges. Inherent uncertainties exist in estimates of tax contingencies due to changes in tax laws. While management believes they have adequately provided for the probable outcome of these matters, future results may include favourable or unfavourable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved, or when the statutes of limitations lapse.

8. EARNINGS PER SHARE

All of the Company's earnings are attributable to common shares, therefore, net earnings is used in determining earnings per share.

	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Net (loss) earnings	**$ (9,947)**	$ (15,906)	**$ 3,345**	$ (15,127)
Weighted average number of shares:				
Basic (000s)	**80,631**	80,300	**80,410**	80,300
Diluted (000s)	**80,659**	80,303	**80,422**	80,317
(Loss) earnings per share				
Basic	**$ (0.12)**	$ (0.20)	**$ 0.04**	$ (0.19)
Diluted	**$ (0.12)**	$ (0.20)	**$ 0.04**	$ (0.19)

The calculation of diluted earnings per share for the three and nine months ended January 31, 2020 excludes the effect of 2,513,791 and 2,845,241 options, respectively (2019 - 3,350,159 and 3,462,454) as they were anti-dilutive.

The total number of shares outstanding on January 31, 2020 was 80,634,153 (2019 - 80,299,984).

9. SEGMENTED INFORMATION

The Company's operations are divided into the following three geographic segments, corresponding to its management structure: Canada - U.S.; South and Central America; and Asia and Africa. The services provided in each of the reportable segments are essentially the same. The accounting policies of the segments are the same as those described in the Company's annual Consolidated Financial Statements for the year ended April 30, 2019, except as described in note 3. Management evaluates performance based on earnings from operations in these three geographic segments before finance costs, general corporate expenses and income taxes. Data relating to each of the Company's reportable segments is presented as follows:

	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Revenue				
Canada - U.S.*	**$ 38,199**	$ 37,317	**$ 164,493**	$ 145,123
South and Central America	**19,322**	24,182	**81,793**	80,095
Asia and Africa	**24,198**	18,940	**74,074**	59,207
	$ 81,719	$ 80,439	**$ 320,360**	$ 284,425

*Canada - U.S. includes revenue of $20,963 and $17,098 for Canadian operations (including Norex) for the three months ended January 31, 2020 and 2019, respectively and $74,830 and $68,101 for the nine months ended January 31, 2020 and 2019, respectively.

(in thousands of Canadian dollars, except per share information)

9. SEGMENTED INFORMATION (Continued)

	Q3 2020	Q3 2019	YTD 2020	YTD 2019
(Loss) earnings from operations				
Canada - U.S.	$ (5,262)	$ (3,544)	$ 7,154	$ 4,503
South and Central America	(5,886)	(2,192)	(2,900)	(3,550)
Asia and Africa	3,864	(6,641)	12,761	(4,947)
	(7,284)	(12,377)	17,015	(3,994)
Finance costs	293	142	716	593
General corporate expenses*	2,090	1,533	7,660	5,456
Income tax	280	1,854	5,294	5,084
	2,663	3,529	13,670	11,133
Net (loss) earnings	$ (9,947)	$ (15,906)	$ 3,345	$ (15,127)

*General corporate expenses include expenses for corporate offices and stock options.

	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Capital expenditures				
Canada - U.S.	$ 5,474	$ 2,908	$ 17,397	$ 9,805
South and Central America	1,729	1,673	3,302	5,124
Asia and Africa	2,433	1,734	4,013	4,237
Unallocated and corporate assets	238	-	1,270	-
Total capital expenditures	$ 9,874	$ 6,315	$ 25,982	$ 19,166
Depreciation and amortization				
Canada - U.S.	$ 4,612	$ 4,350	$ 13,597	$ 14,520
South and Central America	3,486	3,309	10,925	9,563
Asia and Africa	1,707	2,071	4,911	6,768
Unallocated and corporate assets	135	87	196	241
Total depreciation and amortization	$ 9,940	$ 9,817	$ 29,629	$ 31,092

	January 31, 2020	April 30, 2019
Identifiable assets		
Canada - U.S.*	$ 209,261	$ 203,622
South and Central America	131,816	138,605
Asia and Africa	113,134	104,173
Unallocated and corporate assets	1,559	14,897
Total identifiable assets	$ 455,770	$ 461,297

Amounts presented in comparative period under unallocated and corporate assets have been allocated to other segments consistent with current year presentation.

*Canada - U.S. includes property, plant and equipment at January 31, 2020 of $37,223 (April 30, 2019 - $31,573) for Canadian operations.

(in thousands of Canadian dollars, except per share information)

10. BUSINESS ACQUISITION

Norex Drilling Limited

Effective November 1, 2019, the Company acquired all of the issued and outstanding shares of Norex Drilling Limited ("Norex").

The acquisition has been accounted for using the acquisition method. Through this purchase, which allows the Company to gain a strong position to service its customers in both surface and underground exploration drilling services in Northern Ontario, the Company acquired 22 drill rigs, support equipment and inventory, existing contracts and receivables, the operation's management team, and other employees, including experienced drillers.

The purchase price for the transaction was $18.7 million, consisting of $14.0 million in cash (net of cash acquired), $1.9 million in Major Drilling shares, a holdback of $1.0 million and an additional pay-out of $1.8 million (discounted) tied to performance. The maximum amount of the contingent consideration is $2.5 million, with a payout date three years from the effective date of November 1, 2019. Payment is contingent on achieving EBITDA (earnings before interest, taxes, depreciation and amortization) run rates above current levels.

As the acquisition occurred early in the current quarter, the Company is in the process of finalizing the valuation of assets and purchase price allocation. As at January 31, 2020, the values allocated to net tangible and intangible assets are preliminary and are subject to adjustments as additional information is obtained.

Goodwill arising from this acquisition is equal to the excess of the total consideration paid over the fair market value of the net assets acquired and represents the benefit of expected synergies, revenue growth, and future market development.

The estimated net assets acquired at fair market value at acquisition are as follows:

Net assets acquired	
Trade and other receivables	$ 4,834
Inventories	1,762
Property, plant and equipment	8,240
Goodwill (not tax deductible)	7,328
Intangible assets	1,135
Trade and other payables	(3,266)
Deferred income tax liabilities	(1,356)
Total assets	**$ 18,677**

Consideration	
Cash	$ 14,241
Holdback	1,000
Contingent consideration	1,807
Shares of Major Drilling	1,925
Less: cash acquired	(296)
Total consideration	**$ 18,677**

10. BUSINESS ACQUISITION (Continued)

The above consideration includes non-cash investing activities, which are not reflected in the Interim Condensed Consolidated Statements of Cash Flows, including the issuance of 334,169 shares of Major Drilling at $5.76 for a total of $1,925, contingent consideration of $1,807 (discounted) and a holdback of $1,000.

The Company incurred acquisition-related costs of $182 relating to external legal fees and due diligence costs. These acquisition costs have been included in the other (revenue) expense line of the Interim Condensed Consolidated Statements of Operations.

The results of operations of Norex are included in the the Interim Condensed Consolidated Statements of Operations from November 1, 2019.

11. RESTRUCTURING CHARGE

During the quarter, the Company made the decision to close its operations in Colombia. During the previous year, the Company closed its operations in Burkina Faso.

These restructuring initiatives generated impairment losses calculated based on the determination of the fair value of assets less cost of disposal. Fair value was determined through the use of industry knowledge.

The costs related to these initiatives, and recorded as part of the restructuring charge, total $2,116 (2019 - $6,897). This amount consists of non-cash charges totalling $1,503 (2019 - $6,047), including an impairment charge of $500 (2019 - $258) relating to property, plant and equipment; a write-down of $1,003 (2019 - $2,307) to reduce inventory to net realizable value; and other non-cash charges of nil (2019 - $3,482). Cash charges include employee severance costs of $375 (2019 - $545) incurred to rationalize the workforce, and $238 (2019 - $305) relating to the cost of winding down operations. The unpaid portion of these charges, totalling $485 (2019 - $845) is recorded in trade and other payables.

12. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, trade and other receivables, demand credit facilities and trade and other payables approximate their fair value due to the relatively short period to maturity of the instruments. The carrying value of long-term debt and contingent consideration approximates their fair value.

Financial assets and liabilities measured at fair value are classified and disclosed in one of the following categories:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company’s derivatives are classified as level 2 financial instruments. There were no transfers of amounts between level 1, level 2 and level 3 financial instruments for the quarter ended January 31, 2020.

(in thousands of Canadian dollars, except per share information)

12. FINANCIAL INSTRUMENTS (Continued)

Credit risk

As at January 31, 2020, 90.7% (April 30, 2019 - 85.6%) of the Company's trade receivables were aged as current and 2.1% (April 30, 2019 - 1.1%) of the trade receivables were impaired.

The movements in the allowance for impairment of trade receivables during the nine and twelve month periods were as follows:

	January 31, 2020	April 30, 2019
Opening balance	**$ 863**	$ 928
Increase in impairment allowance	**368**	919
Recovery of amounts previously impaired	**-**	(207)
Write-off charged against allowance	**-**	(760)
Foreign exchange translation differences	**(68)**	(17)
Ending balance	**$ 1,163**	$ 863

Foreign currency risk

As at January 31, 2020, the most significant carrying amounts of net monetary assets (which may include intercompany balances with other subsidiaries) that: (i) are denominated in currencies other than the functional currency of the respective Company subsidiary; and (ii) cause foreign exchange rate exposure, including the impact on earnings before income taxes ("EBIT"), if the corresponding rate changes by 10%, are as follows:

	Rate variance	**MNT/USD**	**IDR/USD**	**USD/CLP**	**USD/AUD**	**USD/CAD**	**USD/ZAR**	**Other**
Net exposure on monetary assets		$ 6,826	$ 6,648	$ 4,705	$ 3,558	$ (2,981)	$ (5,389)	$ 193
EBIT impact	+/-10%	425	739	523	395	331	599	355

Liquidity risk

The following table details contractual maturities for the Company's financial liabilities:

	1 year	**2-3 years**	**4-5 years**	**Thereafter**	**Total**
Trade and other payables	$ 54,090	$ -	$ -	$ -	$ 54,090
Lease liabilities (interest included)	2,217	3,108	1,217	8	6,550
Contingent consideration	-	1,807	-	-	1,807
Long-term debt (interest included)	1,630	1,771	15,705	-	19,106
	$ 57,937	**$ 6,686**	**$ 16,922**	**$ 8**	**$ 81,553**