Consolidated Statements of Operations

For the years ended April 30, 2017 and 2016
(in thousands of Canadian dollars, except per share information)

	2017	2016
TOTAL REVENUE	**$ 300,588**	$ 304,621
DIRECT COSTS	**240,370**	234,660
GROSS PROFIT	**60,218**	69,961
OPERATING EXPENSES		
General and administrative	**44,594**	44,081
Other expenses	**5,239**	4,079
Loss (gain) on disposal of property, plant and equipment	**48**	(2,149)
Foreign exchange loss	**390**	3,638
Finance costs	**331**	554
Depreciation of property, plant and equipment (note 7)	**48,955**	49,702
Amortization of intangible assets (note 9)	**2,625**	3,265
Restructuring charge (note 18)	**-**	8,377
	102,182	111,547
LOSS BEFORE INCOME TAX	**(41,964)**	(41,586)
INCOME TAX - PROVISION (RECOVERY) (note 12)		
Current	**8,999**	8,652
Deferred	**(8,899)**	(4,953)
	100	3,699
NET LOSS	**$ (42,064)**	$ (45,285)
LOSS PER SHARE (note 14)		
Basic	**$ (0.52)**	$ (0.57)
Diluted	**$ (0.52)**	$ (0.57)

Consolidated Statements of Comprehensive Loss

For the years ended April 30, 2017 and 2016
(in thousands of Canadian dollars)

	2017	2016
NET LOSS	**$ (42,064)**	$ (45,285)
OTHER COMPREHENSIVE LOSS		
Items that may be reclassified subsequently to profit or loss		
Unrealized gain on foreign currency translations (net of tax)	**24,891**	11,252
Unrealized (loss) gain on derivatives (net of tax)	**(163)**	302
COMPREHENSIVE LOSS	**$ (17,336)**	$ (33,731)

Consolidated Statements of Changes in Equity

For the years ended April 30, 2017 and 2016
(in thousands of Canadian dollars)

	Share capital	Reserves	Share-based payments reserve	Retained earnings	Foreign currency translation reserve	Total
BALANCE AS AT MAY 1, 2015	$ 239,726	$ 24	$ 17,234	$ 152,764	$ 50,644	$ 460,392
Share-based payments reserve (note 13)	-	-	1,083	-	-	1,083
Dividend (note 22)	-	-	-	(1,603)	-	(1,603)
	239,726	24	18,317	151,161	50,644	459,872
Comprehensive loss:						
Net loss	-	-	-	(45,285)	-	(45,285)
Unrealized gain on foreign currency translations	-	-	-	-	11,252	11,252
Unrealized gain on derivatives	-	302	-	-	-	302
Total comprehensive loss	-	302	-	(45,285)	11,252	(33,731)
BALANCE AS AT APRIL 30, 2016	**239,726**	**326**	**18,317**	**105,876**	**61,896**	**426,141**
Exercise of stock options (note 13)	**25**	**-**	**(4)**	**-**	**-**	**21**
Share-based payments reserve (note 13)	**-**	**-**	**937**	**-**	**-**	**937**
	239,751	**326**	**19,250**	**105,876**	**61,896**	**427,099**
Comprehensive loss:						
Net loss	**-**	**-**	**-**	**(42,064)**	**-**	**(42,064)**
Unrealized gain on foreign currency translations	**-**	**-**	**-**	**-**	**24,891**	**24,891**
Unrealized loss on derivatives	**-**	**(163)**	**-**	**-**	**-**	**(163)**
Total comprehensive loss	**-**	**(163)**	**-**	**(42,064)**	**24,891**	**(17,336)**
BALANCE AS AT APRIL 30, 2017	**$ 239,751**	**$ 163**	**$ 19,250**	**$ 63,812**	**$ 86,787**	**$409,763**

Consolidated Statements of Cash Flows

For the years ended April 30, 2017 and 2016
(in thousands of Canadian dollars)

	2017	2016
OPERATING ACTIVITIES		
Loss before income tax	$ (41,964)	$ (41,586)
Operating items not involving cash		
Depreciation and amortization	51,580	52,967
Loss (gain) on disposal of property, plant and equipment	48	(2,149)
Share-based payments reserve (note 13)	937	1,083
Restructuring charge (note 18)	-	6,554
Finance costs recognized in loss before income tax	331	554
	10,932	17,423
Changes in non-cash operating working capital items (note 16)	(8,036)	9,277
Finance costs paid	(331)	(554)
Income taxes paid	(5,810)	(3,816)
Cash flow (used in) from operating activities	(3,245)	22,330
FINANCING ACTIVITIES		
Repayment of long-term debt	(5,445)	(7,858)
Issuance of common shares	21	-
Dividends paid (note 22)	-	(3,206)
Cash flow used in financing activities	(5,424)	(11,064)
INVESTING ACTIVITIES		
Business acquisition (note 17)	(3,881)	(1,783)
Acquisition of property, plant and equipment (net of direct financing) (note 7)	(17,652)	(12,125)
Proceeds from disposal of property, plant and equipment	3,223	6,997
Cash flow used in investing activities	(18,310)	(6,911)
Effect of exchange rate changes	2,726	976
(DECREASE) INCREASE IN CASH	(24,253)	5,331
CASH, BEGINNING OF THE YEAR	50,228	44,897
CASH, END OF THE YEAR	$ 25,975	$ 50,228

Consolidated Balance Sheets

As at April 30, 2017 and 2016
(in thousands of Canadian dollars)

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	**$ 25,975**	$ 50,228
Trade and other receivables	**72,385**	55,829
Note receivable	**476**	457
Income tax receivable	**5,771**	7,513
Inventories (note 6)	**88,047**	74,144
Prepaid expenses	**3,210**	2,498
	195,864	190,669
NOTE RECEIVABLE	**1,055**	1,531
PROPERTY, PLANT AND EQUIPMENT (note 7)	**221,524**	240,703
DEFERRED INCOME TAX ASSETS (note 12)	**17,026**	9,564
GOODWILL (note 8)	**58,432**	57,641
INTANGIBLE ASSETS (note 9)	**669**	3,193
	$ 494,570	$ 503,301
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	**$ 48,359**	$ 34,068
Income tax payable	**3,036**	1,859
Current portion of contingent consideration	**5,135**	3,000
Current portion of long-term debt (note 11)	**3,291**	5,288
	59,821	44,215
CONTINGENT CONSIDERATION	**-**	5,347
LONG-TERM DEBT (note 11)	**4,544**	6,936
DEFERRED INCOME TAX LIABILITIES (note 12)	**20,442**	20,662
	84,807	77,160
SHAREHOLDERS' EQUITY		
Share capital (note 13)	**239,751**	239,726
Reserves	**163**	326
Share-based payments reserve	**19,250**	18,317
Retained earnings	**63,812**	105,876
Foreign currency translation reserve	**86,787**	61,896
	409,763	426,141
	$ 494,570	$ 503,301

Contingencies and commitments (notes 19 and 20)

Approved by the Board of Directors

"David Tennant"	*"Jo Mark Zurel"*
David Tennant	Jo Mark Zurel
Chairman of the Board	Chairman of the Audit Committee

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 Consolidated Financial Statements present the Company's and its subsidiaries' financial results of operations and financial position in accordance with International Financial Reporting Standards ("IFRS") and using the accounting policies described herein.

On June 5, 2017, the Board of Directors authorized these Consolidated Financial Statements for issue.

Basis of consolidation
These 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 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
The Consolidated Financial Statements have been prepared based on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the related accounting policies presented in note 4.

3. APPLICATION OF NEW AND REVISED IFRS

The following IASB standards, now in effect, have had no significant impact on the Company's Consolidated Financial Statements:

IFRS 10 *(amended) Consolidated Financial Statements*
IFRS 11 *(amended) Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
IAS 1 *(amended) Presentation of Financial Statements*
IAS 16 *(amended) Property, Plant and Equipment*
IAS 28 *(amended) Investments in Associates and Joint Ventures*
IAS 38 *(amended) Intangible Assets*

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

3. APPLICATION OF NEW AND REVISED IFRS (Continued)

The Company has not applied the following IASB standards that have been issued, but are not yet effective:

IFRS 2 *(as amended in 2016) Share-based Payment**
IFRS 9 *(as amended in 2014) Financial Instruments**
IFRS 15 *Revenue from Contracts with Customers**
IFRS 16 *Leases***
IAS 7 *(amended) Statement of Cash Flows****
IAS 12 *(amended) Income Taxes****

**Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted*
***Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted*
****Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted*

The Company is currently in the process of assessing the impact of the adoption of the above standards and amendments, however, they are not expected to have a significant impact on the Consolidated Financial Statements, with the exception of IFRS 16 Leases. The Company is in the process of quantifying the impact IFRS 16 will have on the Consolidated Financial Statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash
Cash is comprised of cash on hand and demand deposits in banks.

Financial instruments
Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Settlement date accounting is used.

Asset/Liability	Classification	Measurement
Cash	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost

Transaction costs are included in the initial carrying value of financial instruments, except those classified as fair value through profit or loss, and are amortized into income using the effective interest method.

Revenue recognition
Revenue from drilling contracts is recognized based on the terms of customer contracts that generally provide for revenue recognition on the basis of actual meters drilled at contract rates or fixed monthly charges, or a combination of both. Revenue from ancillary services, primarily relating to extra services to the customer, is recorded when the services are rendered. Revenue is recognized when collection is reasonably assured.

Inventories
The Company maintains an inventory of operating supplies, drill rods and drill bits. Inventories are valued at the lower of cost and net realizable value, determined on a first in, first out ("FIFO") basis. The value of used inventory items is considered minimal therefore they are not valued, except for drill rods, which, if still considered usable, are valued at 50% of cost.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment
Property, plant and equipment ("PP&E") are measured at cost, less accumulated depreciation and impairment losses. Depreciation, calculated using the straight-line method, is charged to operations at rates based upon the estimated useful life of each depreciable asset. When significant components of an item of PP&E have different useful lives, they are accounted for as separate assets. The following rates apply to those assets being depreciated using the straight-line method:

	Residual value (%)	Useful life (years)
Buildings	0-15	15-20
Drilling equipment	0-15	5-15
Automotive and off-road equipment	0-10	5-10
Other (office, computer and shop equipment)	0	5-15

Land and assets under construction not available for use are not depreciated. Costs for repairs and maintenance are charged to operations as incurred. Subsequent costs are included in the asset's carrying value when it is probable that future economic benefits associated with such costs will flow to the Company when the asset is ready for its intended use. Subsequent costs are depreciated over the useful life of the asset and replaced components are de-recognized. An item of PP&E is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognized in profit or loss. Depreciation methods, residual values and useful lives are re-assessed, at minimum, on an annual basis.

Leases
The Company determines the classification of leases as finance or operating based on the risks and rewards of ownership of the underlying assets. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract.

Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination, in exchange for control of the acquiree, is measured at fair value. At acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair values. Results of operations of a business acquired are included in the Company's Consolidated Financial Statements from the date of the business acquisition. Business acquisition and integration costs are expensed in profit or loss as incurred.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments applied against goodwill. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IAS 39 Financial Instruments: Recognition and Measurement, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill
Goodwill represents the excess of the purchase price of business acquisitions over the fair value of the identifiable net assets acquired. The value of goodwill is tested for impairment at least annually. Any impairment loss identified by this test would be reported in profit or loss for the period during which the loss occurred.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units ("CGUs") or groups of cash-generating units that are expected to benefit from the synergies of the combination. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

Intangible assets
Intangible assets that are acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses. Intangible assets include customer relationships/contracts and non-compete agreements, which are amortized on a straight-line basis over a three and five-year period, respectively.

Impairment of long-lived assets
At the end of each reporting period, the Company assesses whether there are any indicators that the carrying values of its long-lived assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of an asset is first tested on an individual basis, if determinable, or otherwise at the CGU level. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Corporate level assets are allocated to the respective CGUs where an allocation can be done on a reasonable and consistent basis.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

At the end of each reporting period, the Company assesses whether there is any indication that an impairment loss recognized in prior periods for a long-lived asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of that asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

***Current* -** The tax currently receivable or payable is based on taxable profit for the year and any adjustments resulting from prior years. Taxable profit differs from profit as reported in the Consolidated Statements of Operations because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred **-** The Company follows the asset and liability method of accounting for deferred taxes. This method takes a balance sheet approach and focuses on the amount of income taxes payable or receivable that will arise if an asset is realized or a liability is settled for its carrying amount. These resulting assets and liabilities, referred to as "deferred income tax assets and liabilities", are computed and recognized based on carry forwards of unused tax losses, unused tax credits and the differences between the carrying amount of balance sheet items and their corresponding tax values using the enacted, or substantively enacted, income tax rates in effect when the assets are expected to be realized or the liabilities are expected to be settled.

The Company's primary temporary differences arise between the tax carrying value and net book value of PP&E. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Translation of foreign currencies
The Consolidated Financial Statements are presented in Canadian dollars, which is the Company's presentation currency, and the functional currency of the parent company.

Financial statements of foreign operations are translated using the rate in effect at the balance sheet date for assets and liabilities, and using the average exchange rates during the period for revenue and expenses. Adjustments arising from foreign currency translation are recorded in other comprehensive earnings.

Foreign currency transactions are transactions in a currency other than the Company's functional currency. Foreign currency transactions are translated to the functional currency by applying the exchange rate prevailing at the date of the transactions. Translation gains and losses on assets and liabilities denominated in a foreign currency are included in the statement of comprehensive earnings.

Additionally, foreign exchange gains and losses related to certain intercompany loans that are permanent in nature are included in other comprehensive earnings and foreign currency translation reserve.

Share-based payments
The Company uses the fair value method to measure compensation expense at the date of grant of stock options to employees and Directors. The fair value of each tranche for all option grants is determined using the Black-Scholes option-pricing model, which considers estimated forfeitures at time of grant, and each tranche is amortized separately to earnings over the vesting period of the tranche with an offset to the share-based payments reserve. When options are exercised, the corresponding share-based payments reserve and the proceeds received by the Company are credited to share capital.

The Company records the fair value of cash-settled deferred share units as compensation expense, with offset to accrued liabilities.

Provisions
Provisions are recognized when there is a present (legal or constructive) obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the present value of the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties specific to the obligation.

Restructurings **-** A restructuring provision is recognized when the Company has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative financial instruments
The Company enters into derivative financial instruments, from time to time, to manage exposure and risk. The derivatives are initially recognized at fair value at the date the derivative contract is executed and are subsequently re-measured to fair value at each reporting date. The resulting gain or loss is recognized in other comprehensive earnings unless the derivative is considered to be ineffective, in which event it is recognized in profit or loss.

Hedge accounting
The Company's current derivatives are designated as cash flow hedges. At the inception of the hedges, and on an ongoing basis, the Company documents whether the hedging instruments used in the hedging relationships are highly effective in offsetting changes in cash flows of the hedged items.

Cash flow hedge
The effective portion of changes in the fair value of the derivatives are recognized in other comprehensive earnings and accumulated in shareholders' equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is terminated, or when the hedging relationship no longer qualifies for hedge accounting. Any cumulative gain or loss accumulated in shareholders' equity at that time is recognized immediately in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

Use of estimates
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that are not readily apparent from other sources, which affect the reported amounts of assets and liabilities at the dates of the Consolidated Financial Statements and the reported amounts of revenue and expenses during the reported periods. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could 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 PP&E for depreciation purposes, PP&E and inventory valuation, determination of income and other taxes, assumptions used in compilation of share-based payments, fair value of assets acquired and liabilities assumed in business acquisitions, amounts recorded as accrued liabilities and contingent considerations, and impairment testing of goodwill and intangible assets and long-lived assets.

Management determines the estimated useful lives of its PP&E based on historical experience of the actual lives of PP&E of similar nature and functions, and reviews these estimates at the end of each reporting period.

Management reviews the condition of inventories at the end of each reporting period and recognizes a provision for slow-moving and obsolete items of inventory when they are no longer suitable for use. Management's estimate of the net realizable value of such inventories is based primarily on sales prices and current market conditions.

Amounts used for impairment calculations are based on estimates of future cash flows of the Company. By their nature, the estimates of cash flows, including the estimates of future revenue, operating expenses, utilization, discount rates and market pricing are subject to measurement uncertainty. Accordingly, the impact in the Consolidated Financial Statements of future periods could be material.

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

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the probability that they will be realized from future taxable earnings.

Compensation costs accrued for long-term share-based payment plans are subject to the estimation of what the ultimate payout will be using the Black-Scholes pricing model, which is based on significant assumptions such as volatility, dividend yield and expected term.

The amount recognized as accrued liabilities and contingent considerations, including legal, restructuring, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities, contingencies and contingent considerations based upon the best information available, relevant tax laws and other appropriate requirements.

Judgments

The Company applied judgment in determining the functional currency of the Company and its subsidiaries. Functional currency was determined based on the currency that mainly influences sales prices, labour, materials and other costs of providing services.

PP&E and goodwill are aggregated into CGUs based on their ability to generate largely independent cash inflows and are used for impairment testing. The determination of the Company's CGUs is subject to management's judgment with respect to the lowest level at which independent cash inflows are generated.

The Company has applied judgment in determining the degree of componentization of PP&E. Each part of an item of PP&E with a cost that is significant in relation to the total cost of the item and has a separate useful life has been identified as a separate component and is depreciated separately.

The Company has applied judgment in recognizing provisions and accrued liabilities, including judgment as to whether the Company has a present obligation (legal or constructive) as a result of a past event; whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and whether a reliable estimate can be made of the amount of the obligation.

Deferred income tax assets are assessed by management at the end of the reporting period to determine the probability that they will be realized from future taxable earnings. This determination is subject to management judgment.

6. INVENTORIES

The cost of inventory recognized as an expense and included in direct costs for the year ended April 30, 2017 is $39,852 (2016 - $36,288). During the current year, there were no significant write-downs of inventory as a result of net realizable value being lower than cost. During the previous year, write-downs of inventory as a result of net realizable value being lower than cost, are detailed in note 18. No inventory write-downs recognized in previous years were reversed.

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

6. INVENTORIES (Continued)

The following is a breakdown of inventory by category:

	2017	2016
Rods and casings	$ 26,688	$ 23,315
Consumables	7,128	5,532
Machine parts	31,067	26,634
Wireline and downhole tools	7,628	7,068
Diamond bits	7,641	6,610
Other	7,895	4,985
	$ 88,047	$ 74,144

The Company’s credit facility related to operations is in part secured by a general assignment of a portion of the Company’s inventory in certain regions.

7. PROPERTY, PLANT AND EQUIPMENT

Changes in the PP&E balance were as follows for the year:

	Land	Buildings	Drills	Auto	Other	Total
Cost:						
Balance as at April 30, 2016	$ 3,525	$ 18,946	$ 369,145	$ 111,535	$ 20,844	$ 523,995
Additions	-	-	14,020	2,804	1,723	18,547
Disposals	-	-	(16,330)	(3,823)	(969)	(21,122)
Effect of excahnge rate changes and other	215	514	24,795	5,326	625	31,475
Balance as at April 30, 2017	**$ 3,740**	**$ 19,460**	**$ 391,630**	**$ 115,842**	**$ 22,223**	**$ 552,895**
Accumulated Depreciation:						
Balance as at April 30, 2016	$ -	$ (7,145)	$ (180,876)	$ (78,284)	$ (16,987)	$ (283,292)
Disposals	-	-	13,478	3,465	908	17,851
Depreciation	-	(1,514)	(37,203)	(8,108)	(2,130)	(48,955)
Effect of excahnge rate changes and other	-	(200)	(12,626)	(3,724)	(425)	(16,975)
Balance as at April 30, 2017	**$ -**	**$ (8,859)**	**$ (217,227)**	**$ (86,651)**	**$ (18,634)**	**$ (331,371)**
Carrying value April 30, 2016	$ 3,525	$ 11,801	$ 188,269	$ 33,251	$ 3,857	$ 240,703
Carrying value April 30, 2017	**$ 3,740**	**$ 10,601**	**$ 174,403**	**$ 29,191**	**$ 3,589**	**$ 221,524**

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company has assessed whether there is any indication that an impairment loss recognized in prior periods for PP&E may no longer exist or may have decreased. There were no impairments requiring reversal as at April 30, 2017 or 2016.

Capital expenditures were $18,547 and $16,789, respectively, for the years ended April 30, 2017 and 2016. The Company obtained direct financing of $895 and $4,664, respectively, for the years ended April 30, 2017 and 2016.

The carrying value of PP&E under finance leases for the year ended April 30, 2017 was $5,647 (2016 - $5,855).

8. GOODWILL

Changes in the goodwill balance were as follows:

	2017	2016
Opening balance	**$ 57,641**	$ 57,274
Effect of movement in exchange rates	**791**	367
Ending balance	**$ 58,432**	$ 57,641

Allocation of goodwill to CGUs
The carrying amount of goodwill was allocated to CGUs as follows:

	2017	2016
Canada	**$ 48,548**	$ 48,548
U.S.	**9,884**	9,093
	$ 58,432	$ 57,641

Canada
The recoverable amount of the "Canadian branch" as a CGU is determined based on a value-in-use calculation, which uses cash flow projections based on financial budgets and forward projections approved by management covering a five-year period, and a discount rate of 12.83% per annum. Cash flows beyond that period have been extrapolated using a steady 2% per annum growth rate. While the mining services market in Canada is cyclical in nature, this organic growth rate has been achieved across two business cycles and is seen by management as a fair and conservative long-term average growth rate. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

U.S.
The recoverable amount of the "U.S. branch" as a CGU is determined based on a value-in-use calculation, which uses cash flow projections based on financial budgets and forward projections approved by management covering a five-year period, and a discount rate of 12.83% per annum. Cash flows beyond that period have been extrapolated using a steady 2% per annum growth rate. While the mining services market in the U.S. is cyclical in nature, this organic growth rate has been achieved across two business cycles and is seen by management as a fair and conservative long-term average growth rate. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

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

8. GOODWILL (Continued)

Key assumptions
The key assumptions in the value-in-use calculations are as follows:

***Revenue* -** The values assigned to the assumptions reflect past experience. The effect of the incorporation of the acquired drill fleets and significant levels of capital expenditure since 2007 that have been on average higher than the sustaining level, have provided the basis on which to grow. The growth expected is consistent with management's plans for focusing operations and growing share in the specialized drilling market.

***Gross margin* -** Management expects that gross margins will remain in a range in line with historically achieved levels.

9. INTANGIBLE ASSETS

Changes in the intangible assets balance were as follows:

	Cost	Accumulated amortization	Total
Balance as at May 1, 2015	$ 17,281	$ (11,021)	$ 6,260
Amortization	-	(3,265)	(3,265)
Effect of movement in exchange rates	236	(38)	198
Balance as at April 30, 2016	$ 17,517	$ (14,324)	$ 3,193
Amortization	-	(2,625)	(2,625)
Effect of movement in exchange rates	120	(19)	101
Balance as at April 30, 2017	**$ 17,637**	**$ (16,968)**	**$ 669**

Intangible assets consist of customer relationships/contracts.

10. DEMAND CREDIT FACILITIES

The Company has credit facilities available in Canada and the U.S. of $29,094 bearing interest at the bank's prime lending rate plus 0.75% or the bankers' acceptance rate plus 2.25% for Canadian dollar draws and the bank's U.S. dollar base rate in Canada plus 0.75% or the bank's London interbank offer rate ("LIBOR") plus 2.25% for U.S. dollar draws. The demand credit facilities are primarily secured by corporate guarantees of companies within the group. The Company has credit facilities of $2,622 for credit cards, with interest rates and repayments as per the cardholder agreement. As at April 30, 2017, the Company had utilized $478 (2016 - $439) of these lines for stand-by letters of credit.

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

11. LONG-TERM DEBT

	2017	2016
Non-revolving term loan, bearing interest at either the bank's prime rate plus 0.75% or the bankers' acceptance rate plus 2.25% for Canadian dollar draws, and either the bank's U.S. dollar base rate in Canada plus 0.75% or the bank's LIBOR plus 2.25% for U.S. dollar draws, payable in monthly installments of $417, secured by corporate guarantees of companies within the group, repaid during the current year.	**$ -**	$ 2,081
Term loan bearing interest at 5.9%, payable in monthly installments of $83, unsecured, maturing in August 2021.	**4,333**	5,333
Term loans bearing interest at rates ranging from 0% to 9.50%, payable in monthly installments of $230, secured by certain equipment, maturing through 2022.	**3,502**	4,810
	7,835	12,224
Current Portion	**3,291**	5,288
	$ 4,544	$ 6,936

The required annual principal repayments on long-term debt are as follows:

2018	$ 3,291
2019	1,955
2020	1,239
2021	1,009
2022	341
	$ 7,835

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

12. INCOME TAXES

Income taxes vary from amounts that would be determined by applying the combined statutory Canadian corporate income tax rate to earnings before income tax with details as follows:

	2017	2016
Loss before income tax	**$ (41,964)**	$ (41,586)
Statutory Canadian corporate income tax rate	**27%**	27%
Expected income tax recovery based on statutory rate	**(11,330)**	(11,228)
Non-recognition of tax benefits related to losses	**4,272**	7,079
Other foreign taxes paid	**510**	1,027
Rate variances in foreign jurisdictions	**1,223**	(452)
Permanent differences and other	**4,550**	7,095
	(775)	3,521
Adjustments recognized in the current year in relation to the current tax in prior years	**875**	178
Income tax expense recognized in net loss	**$ 100**	$ 3,699

The tax rate used for the 2017 and 2016 reconciliations herein is the effective federal and provincial Canadian corporate tax rate of 27%.

The movements in deferred income tax balances are as follows:

	2016	**Tax provision**	**Exchange**	**Reclassified**	**2017**
Deferred tax assets related to non-capital losses	$ 9,564	$ 6,597	$ 814	$ 51	**$ 17,026**
Deferred tax liabilities related to difference in tax and book basis	(20,662)	2,302	(2,082)	-	**(20,442)**
Net deferred tax liabilities	$ (11,098)	$ 8,899	$ (1,268)	$ 51	**$ (3,416)**

Income tax expense recognized in net loss:

	2017	2016
Current tax		
Current tax expense in respect to the current year	**$ 8,124**	$ 8,474
Adjustments recognized in the current year in relation to the current tax of prior years	**875**	178
Deferred tax		
Deferred tax expense recognized in the current year	**(8,899)**	(4,953)
Income tax provision	**$ 100**	$ 3,699

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

12. INCOME TAXES (Continued)

The recognition and measurement of the current and deferred tax assets and liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions and in the assessment of the recoverability of deferred tax assets. Potential liabilities are recognized for anticipated tax audit issues in various tax jurisdictions based on the Company's estimate of whether, and the extent to which, additional taxes will be due.

If payment of the accrued amounts ultimately proves to be unnecessary, the elimination of the liabilities would result in tax benefits being recognized in the period when the Company determines the liabilities no longer exist. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense will result.

The Company has accumulated approximately $175,095 in non-capital losses of which $77,334 is recognized to reduce future income taxes otherwise payable in foreign jurisdictions. These losses, if unused, will expire in the following calendar years: 2017 - $1,985; 2018 - $2,757; 2019 - $3,309; 2020 - $7,458; 2021 - $3,272; 2022 - $1,882; 2034 - $11,555; 2035 - $19,607; 2036 - $14,272; 2037 - $16,565; indefinite - $92,433.

The Company has accumulated approximately $6,810 (A$6,668) of capital losses that are available to reduce income taxes otherwise payable on capital gains realized in Australia. The benefit of these losses has not been recognized in the Consolidated Financial Statements.

The Company has approximately $200,000 of temporary differences associated with its investments in foreign subsidiaries for which no deferred taxes have been provided on the basis that the Company is able to control the timing of the reversal of such temporary differences and such reversal is not probable in the foreseeable future.

The repatriation of cash through dividends, from certain jurisdictions, may cause withholding tax expense for which no liability has been provided on the basis that the Company is able to control the timing of repatriation.

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 has recorded 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 favorable or unfavorable adjustments to these estimated tax liabilities in the period the assessments are made or resolved, or when the statute of limitation lapses.

13. SHARE CAPITAL

Authorized
Unlimited number of fully paid common shares, without nominal or par value, with each share carrying one vote and a right to dividends when declared.

The movement in the Company's issued and outstanding share capital during the year was as follows:

	2017		2016	
	Number of shares	**Share capital**	Number of shares	Share capital
Opening balance	**80,136,884**	**$ 239,726**	80,136,884	$ 239,726
Exercise of stock options	**3,000**	**25**	-	-
Ending balance	**80,139,884**	**$ 239,751**	80,136,884	$ 239,726

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

13. SHARE CAPITAL (Continued)

Stock option plan

Details of the Company's stock option plan (the "Plan") for Directors, Officers and other employees of the Company and its subsidiaries can be found in the Company's 2016 Management Proxy Circular. There have been no changes to the Plan since that date.

A summary of the status of the Plan, as at April 30, 2017 and 2016, and of changes during those years, is presented below:

	2017		2016	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning of year	**4,253,908**	**$ 9.09**	3,841,508	$ 9.49
Options granted	**406,000**	**6.97**	460,400	5.90
Options expired	**(574,203)**	**7.55**	(48,000)	10.32
Options exercised	**(3,000)**	**6.87**	-	-
Outstanding, end of year	**4,082,705**	**9.09**	4,253,908	9.09

The following table summarizes information on stock options outstanding as at April 30, 2017:

Range of exercise prices	**Outstanding at April 30, 2017**	**Weighted average remaining life (years)**	**Weighted average exercise price**	**Exercisable at April 30, 2017**	**Weighted average exercise price**
$4.48 - $9.16	**2,668,502**	**4.34**	**$ 7.27**	**1,908,535**	**$ 7.50**
$10.98 - $14.03	**1,270,203**	**1.91**	**11.98**	**1,270,203**	**11.98**
$15.42 - $19.72	**144,000**	**1.39**	**17.52**	**144,000**	**17.52**
	4,082,705	**3.48**	**9.09**	**3,322,738**	**9.65**

The Company's calculations of share-based compensation for options granted were made using the Black-Scholes option-pricing model with weighted average assumptions as follows:

	2017	2016
Risk-free interest rate	**0.67%**	0.98%
Expected life	**5.8 years**	5.7 years
Expected volatility (based on historical volatility)	**42.2%**	42.7%
Expected dividend yield	**0.6%**	0.8%

The weighted average grant date fair value of options granted during the year ended April 30, 2017 was $2.62 (2016 - $1.99). For the year ended April 30, 2017, the amount of compensation cost recognized in earnings and credited to share-based payments reserve was $937 (2016 - $1,083).

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

13. SHARE CAPITAL (Continued)

Deferred share units

The Company has a Deferred Share Unit Plan (the "DSU Plan") for Directors and certain designated Officers as described in detail in the Company's 2016 Management Proxy Circular. There have been no changes to the DSU Plan since that date.

The following table summarizes information on DSUs earned under the DSU Plan at April 30, 2017 and 2016:

	2017 Number of units	2016 Number of units
Outstanding, beginning of year	**79,754**	71,749
DSUs issued during year	**-**	8,005
Outstanding, end of year	**79,754**	79,754

As at April 30, 2017, the total value of DSUs outstanding was $604 (2016 - $603).

14. LOSS PER SHARE

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

	2017	2016
Net loss	**$ (42,064)**	$ (45,285)
Weighted average shares outstanding (000's)	**80,138**	80,137
Net effect of dilutive securities:		
Stock options	**44**	-
Weighted average number of shares - diluted (000's)	**80,182**	80,137
Loss per share:		
Basic	**$ (0.52)**	$ (0.57)
Diluted	**$ (0.52)**	$ (0.57)

The calculation of diluted loss per share for the year ended April 30, 2017 and 2016 excludes the effect of 3,339,522 and 4,135,892 options, respectively, as they were anti-dilutive.

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

15. SEGMENTED INFORMATION

The Company's operations are divided into 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 note 4. Management evaluates performance based on earnings from operations in these three geographic segments before finance costs, general and corporate expenses and income tax. Data relating to each of the Company's reportable segments is presented as follows:

	2017	2016
Revenue		
Canada - U.S.*	$ **179,789**	$ 194,552
South and Central America	**71,420**	65,658
Asia and Africa	**49,379**	44,411
	$ **300,588**	$ 304,621
Loss from operations		
Canada - U.S.	$ **(15,529)**	$ (4,306)
South and Central America	**(11,375)**	(9,675)
Asia and Africa	**(7,165)**	(17,658)
	(34,069)	(31,639)
Finance costs	**331**	554
General and corporate expenses**	**7,564**	9,393
Income tax	**100**	3,699
Net loss	$ **(42,064)**	$ (45,285)

*Canada - U.S. includes revenue in 2017 of $83,992 (2016 - $106,864) for Canadian operations.

**General and corporate expenses include expenses for corporate offices, stock options and certain unallocated costs.

Restructuring charges for the previous year, as detailed in note 18, are included in above figures as follows: Canada - U.S. $106; South and Central America $495; Asia and Africa $6,844; and general and corporate expenses $932.

	2017	2016
Capital expenditures		
Canada - U.S.	$ **9,860**	$ 12,296
South and Central America	**5,928**	2,501
Asia and Africa	**2,663**	1,992
Unallocated and corporate assets	**96**	-
Total capital expenditures	$ **18,547**	$ 16,789
Depreciation and amortization		
Canada - U.S.	$ **28,457**	$ 27,975
South and Central America	**12,876**	12,614
Asia and Africa	**8,325**	11,299
Unallocated and corporate assets	**1,922**	1,079
Total depreciation and amortization	$ **51,580**	$ 52,967

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

15. SEGMENTED INFORMATION (Continued)

	2017	2016
Identifiable assets		
Canada - U.S.*	$ 216,391	$ 223,606
South and Central America	151,894	138,961
Asia and Africa	99,850	95,554
Unallocated and corporate assets	26,435	45,180
Total identifiable assets	$ 494,570	$ 503,301

*Canada - U.S. includes property, plant and equipment in 2017 of $57,689 (2016 - $70,527) for Canadian operations.

16. ADDITIONAL INFORMATION TO THE STATEMENTS OF CASH FLOWS

Changes in non-cash operating working capital items:

	2017	2016
Trade and other receivables	$ (12,499)	$ 2,788
Inventories	(7,857)	5,047
Trade and other payables	13,259	961
Other items	(939)	481
	$ (8,036)	$ 9,277

17. BUSINESS ACQUISITION

During the year, the Company made the second payment on the contingent consideration arising out of the Taurus Drilling Services acquisition, for $3,881 (2016 - $1,783).

18. RESTRUCTURING CHARGE

During the previous year, due to ongoing market difficulties in the Republic of South Africa and Namibia, the Company decided to close its operations in those countries.

The costs related to these initiatives were recorded as part of the restructuring charge for a total of $8,377, which included an impairment charge of $4,379 relating to property, plant and equipment; a write-down of $1,913 to reduce inventory to net realizable value; employee severance charges of $823; other non-cash charges of $262; and a charge of $1,000 relating to the cost of winding down operations.

19. CONTINGENCIES

The Company is involved in various legal claims and legal notices arising in the ordinary course of business. The outcome of all the proceedings and claims against the Company is subject to future resolution and the uncertainties of litigation. Based on information currently known to the Company and after consultation with outside legal counsel, it is management's opinion that the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operations, or cash flows. Any amounts awarded as a result of these actions will be reflected when known.

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

20. COMMITMENTS

The Company has a commitment for the purchase of equipment totaling $372 with a delivery date early in fiscal 2018, as well as various commitments, primarily for rental of premises, with arms-length parties as follows: 2018 - $1,481; 2019 - $619; 2020 - $562; 2021 - $389; 2022 - $335; thereafter $184.

21. RELATED PARTY TRANSACTIONS

The remuneration of Directors and other members of key management personnel during the year was as follows:

	2017	2016
Salaries, bonuses and fees	**$ 2,353**	$ 1,929
Post-employment benefits	**-**	39
Other long-term benefits	**66**	38
Share-based payments benefits	**686**	738
	$ 3,105	$ 2,744

22. DIVIDEND

During the previous year, the Company declared a dividend of $0.02 per common share paid on November 2, 2015 to shareholders of record as of October 9, 2015.

23. CAPITAL MANAGEMENT

The Company includes shareholders' equity (excluding foreign currency translation and other reserves), long-term borrowings and cash in the definition of capital.

Total managed capital was as follows:

	2017	2016
Long-term debt	**$ 7,835**	$ 12,224
Share capital	**239,751**	239,726
Share-based payments reserve	**19,250**	18,317
Retained earnings	**63,812**	105,876
Cash	**(25,975)**	(50,228)
	$ 304,673	$ 325,915

The Company's objective when managing its capital structure is to maintain financial flexibility in order to: (i) preserve access to capital markets; (ii) meet financial obligations; and (iii) finance internally generated growth and potential new acquisitions. To manage its capital structure, the Company may adjust spending, issue new shares, issue new debt or repay existing debt.

Under the terms of certain of the Company's debt agreements, the Company must satisfy certain financial covenants. Such agreements also limit, among other things, the Company's ability to incur additional indebtedness, create liens, engage in mergers or acquisitions and make dividend and other payments. The Company is in compliance with all covenants and other conditions imposed in its credit agreement.

23. CAPITAL MANAGEMENT (Continued)

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary, dependent on various factors.

The Company's objectives with regards to capital management remain unchanged from 2016.

24. FINANCIAL INSTRUMENTS

Risk management objectives
The Company's corporate treasury function monitors and manages the financial risks relating to the operations of the Company through analysis of the various exposures. When deemed appropriate, the Company uses financial instruments to hedge these risk exposures.

Interest rate risk management
The Company is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by use of interest rate swap contracts when deemed appropriate.

Fair value
The carrying values of cash, trade and other receivables, demand credit facility and trade and other payables approximate their fair values due to the relatively short period to maturity of the instruments. The carrying value of long-term debt approximates its fair value. Contingent consideration is recorded at fair value and is classified as level 2 in accordance with the fair value hierarchy.

- 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).

There were no transfers of amounts between level 1, level 2 and level 3 financial instruments for the year ended April 30, 2017. Additionally, there are no financial instruments classified as level 3.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Credit risk
The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The maximum credit risk the Company was exposed to as at April 30, 2017 was $98,360 (2016 - $106,057), representing total cash and trade and other receivables. As at April 30, 2017 and 2016, one customer represented more than 10% of total revenue. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

As at April 30, 2017, 87.3% (2016 - 85.9%) of the Company's trade receivables were aged as current and 1.4% (2016 - 7.2%) of the trade receivables were impaired.

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

24. FINANCIAL INSTRUMENTS (Continued)

The movement in the allowance for impairment of trade receivables during the year was as follows:

	2017	2016
Opening balance	**$ 3,554**	$ 4,204
Increase in impairment allowance	**668**	1,315
Recovery of amounts previously impaired	**(92)**	(1,833)
Write-off charged against allowance	**(3,374)**	(206)
Foreign exchange translation differences	**91**	74
Ending balance	**$ 847**	$ 3,554

Foreign currency risk
In order to reduce its exposure to foreign exchange risks associated with currencies of developing countries, where a substantial portion of the Company's business is conducted, the Company has adopted a policy of contracting in U.S. dollars, where practical and legally permitted.

As at April 30, 2017, the most significant carrying amounts of net monetary assets that: (i) are denominated in currencies other than the functional currency of the respective Company subsidiary; (ii) cause foreign exchange rate exposure; and (iii) may include intercompany balances with other subsidiaries, including the impact on earnings before income taxes ("EBIT"), if the corresponding rate changes by 10%, are as follows:

	Rate Variance	CFA/USD	PES/USD	USD/AUD	USD/CAD	Other
Net exposure on monetary assets		$ 4,441	$ 1,936	$ 1,110	$ (18,027)	$ 512
EBIT impact	+/-10%	493	215	123	2,003	58

Currency controls and government policies in foreign jurisdictions can restrict the Company's ability to exchange such foreign currency for other currencies, such as the U.S. dollar. To mitigate this risk, the Company has adopted a policy of carrying limited foreign currencies in local bank accounts.

Liquidity risk
The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 10 sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

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

	1 year	2-3 years	4-5 years	Total
Trade and other payables	$ 48,359	$ -	$ -	$ 48,359
Contingent consideration	5,135	-	-	5,135
Long-term debt (interest included)	3,428	3,333	1,429	8,190
	$ 56,922	**$ 3,333**	**$ 1,429**	**$ 61,684**