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	
	2025	2024	**2025**	2024
TOTAL REVENUE	**$ 160,731**	$ 132,824	**$ 540,033**	$ 538,659
DIRECT COSTS (note 11)	**144,190**	113,938	**437,237**	418,403
GROSS PROFIT	**16,541**	18,886	**102,796**	120,256
OPERATING EXPENSES				
General and administrative (note 11)	**22,750**	17,146	**59,635**	51,258
Other expenses	**1,091**	1,281	**6,553**	7,374
(Gain) loss on disposal of property, plant and equipment	**(217)**	(114)	**(887)**	(611)
Foreign exchange (gain) loss	**1,611**	2,320	**1,883**	4,862
Finance (revenues) costs	**922**	(359)	**(233)**	(1,316)
(Earnings) loss from investments	**333**	-	**306**	-
	26,490	20,274	**67,257**	61,567
EARNINGS (LOSS) BEFORE INCOME TAX	**(9,949)**	(1,388)	**35,539**	58,689
INCOME TAX EXPENSE (RECOVERY) (note 12)				
Current	**(210)**	(1,438)	**12,431**	12,491
Deferred	**(638)**	2,362	**(1,827)**	3,043
	(848)	924	**10,604**	15,534
NET EARNINGS (LOSS)	**$ (9,101)**	$ (2,312)	**$ 24,935**	$ 43,155
EARNINGS (LOSS) PER SHARE (note 13)				
Basic	**$ (0.11)**	$ (0.03)	**$ 0.30**	$ 0.52
Diluted	**$ (0.11)**	$ (0.03)	**$ 0.30**	$ 0.52

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

	Three months ended January 31		Nine months ended January 31	
	2025	2024	**2025**	2024
NET EARNINGS (LOSS)	**$ (9,101)**	$ (2,312)	**$ 24,935**	$ 43,155
OTHER COMPREHENSIVE EARNINGS				
Items that may be reclassified subsequently to profit or loss				
Unrealized gain (loss) on foreign currency translations	**13,810**	(10,017)	**19,260**	(7,728)
Unrealized gain (loss) on derivatives (net of tax)	**48**	381	**(490)**	(438)
COMPREHENSIVE EARNINGS (LOSS)	**$ 4,757**	$ (11,948)	**$ 43,705**	34,989

Major Drilling Group International Inc.
Interim Condensed Consolidated Statements of Changes in Equity
For the nine months ended January 31, 2025 and 2024
(in thousands of Canadian dollars)
(unaudited)

	Share capital	Retained earnings	Other reserves	Share-based payments reserve	Foreign currency translation reserve	Total
BALANCE AS AT MAY 1, 2023	$ 266,071	$ 105,944	$ (37)	$ 3,696	$ 76,903	$ 452,577
Exercise of stock options	626	(197)	-	(300)	-	129
Share-based compensation	-	-	-	218	-	218
Share buyback (note 10)	(4,156)	(7,093)	-	-	-	(11,249)
Stock options expired/forfeited	-	1	-	(1)	-	-
	262,541	98,655	(37)	3,613	76,903	441,675
Comprehensive earnings:						
Net earnings	-	43,155	-	-	-	43,155
Unrealized gain (loss) on foreign currency translations	-	-	-	-	(7,728)	(7,728)
Unrealized gain (loss) on derivatives	-	-	(438)	-	-	(438)
Total comprehensive earnings	-	43,155	(438)	-	(7,728)	34,989
BALANCE AS AT JANUARY 31, 2024	**$ 262,541**	**$ 141,810**	**$ (475)**	**$ 3,613**	**$ 69,175**	**$ 476,664**
BALANCE AS AT MAY 1, 2024	**$ 262,679**	**$ 151,740**	**$ (18)**	**$ 3,630**	**$ 75,801**	**$ 493,832**
Exercise of stock options	**427**	**-**	**-**	**(115)**	**-**	**312**
Share-based compensation	**-**	**-**	**-**	**81**	**-**	**81**
	263,106	**151,740**	**(18)**	**3,596**	**75,801**	**494,225**
Comprehensive earnings:						
Net earnings	**-**	**24,935**	**-**	**-**	**-**	**24,935**
Unrealized gain (loss) on foreign currency translations	**-**	**-**	**-**	**-**	**19,260**	**19,260**
Unrealized gain (loss) on derivatives	**-**	**-**	**(490)**	**-**	**-**	**(490)**
Total comprehensive earnings	**-**	**24,935**	**(490)**	**-**	**19,260**	**43,705**
BALANCE AS AT JANUARY 31, 2025	**$ 263,106**	**$ 176,675**	**$ (508)**	**$ 3,596**	**$ 95,061**	**$ 537,930**

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	
	2025	2024	**2025**	2024
OPERATING ACTIVITIES				
Earnings (loss) before income tax	**$ (9,949)**	$ (1,388)	**$ 35,539**	$ 58,689
Operating items not involving cash				
Depreciation and amortization (note 11)	**16,858**	13,097	**45,480**	37,866
(Gain) loss on disposal of property, plant and equipment	**(217)**	(114)	**(887)**	(611)
Share-based compensation	**20**	59	**81**	218
(Earnings) loss from investments	**333**	-	**306**	-
Finance (revenues) costs recognized in earnings before income tax	**922**	(359)	**(233)**	(1,316)
	7,967	11,295	**80,286**	94,846
Changes in non-cash operating working capital items	**25,938**	27,735	**29,712**	18,343
Finance revenues received (costs paid)	**(922)**	359	**233**	1,316
Income taxes paid	**(4,009)**	(609)	**(13,691)**	(10,621)
Cash flow from (used in) operating activities	**28,974**	38,780	**96,540**	103,884
FINANCING ACTIVITIES				
Repayment of lease liabilities	**(334)**	(351)	**(1,456)**	(1,082)
Repayment of long-term debt	**-**	-	**-**	(20,000)
Issuance of common shares due to exercise of stock options	**9**	15	**312**	455
Proceeds from draw on long-term debt (note 9)	**28,954**	-	**28,954**	-
Cash-settled stock options	**-**	-	**-**	(326)
Repurchase of common shares (note 10)	**-**	(2,682)	**-**	(11,249)
Cash flow from (used in) financing activities	**28,629**	(3,018)	**27,810**	(32,202)
INVESTING ACTIVITIES				
Business acquisition (note 15)	**(84,084)**	-	**(93,172)**	(6,991)
Investments (note 8)	**-**	-	**(15,205)**	-
Acquisition of property, plant and equipment (note 7)	**(12,590)**	(21,356)	**(53,914)**	(55,073)
Proceeds from disposal of property, plant and equipment	**316**	182	**1,927**	1,826
Cash flow from (used in) investing activities	**(96,358)**	(21,174)	**(160,364)**	(60,238)
Effect of exchange rate changes	**1,276**	(2,189)	**2,747**	(1,010)
INCREASE (DECREASE) IN CASH	**(37,479)**	12,399	**(33,267)**	10,434
CASH, BEGINNING OF THE PERIOD	**100,430**	92,467	**96,218**	94,432
CASH, END OF THE PERIOD	**$ 62,951**	$ 104,866	**$ 62,951**	$ 104,866

Major Drilling Group International Inc.
Interim Condensed Consolidated Balance Sheets
As at January 31, 2025 and April 30, 2024
(in thousands of Canadian dollars)
(unaudited)

	January 31, 2025	April 30, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ **62,951**	$ 96,218
Trade and other receivables (note 16)	**115,088**	122,251
Income tax receivable	**6,462**	3,803
Inventories	**120,044**	110,805
Prepaid expenses	**10,585**	9,532
	315,130	342,609
PROPERTY, PLANT AND EQUIPMENT (note 7)	**282,959**	237,291
RIGHT-OF-USE ASSETS	**10,225**	4,595
INVESTMENTS (notes 8 and 15)	**18,518**	-
DEFERRED INCOME TAX ASSETS	**3,539**	2,872
GOODWILL (note 15)	**72,581**	22,597
INTANGIBLE ASSETS (note 15)	**19,216**	2,219
	$ **722,168**	$ 612,183
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	$ **94,470**	$ 86,226
Income tax payable	**7,878**	4,367
Current portion of lease liabilities	**1,950**	1,395
Current portion of contingent consideration	**-**	8,863
	104,298	100,851
LEASE LIABILITIES	**8,479**	3,321
CONTINGENT CONSIDERATION (note 15)	**22,608**	-
LONG-TERM DEBT (note 9)	**28,954**	-
DEFERRED INCOME TAX LIABILITIES	**19,899**	14,179
	184,238	118,351
SHAREHOLDERS' EQUITY		
Share capital	**263,106**	262,679
Retained earnings	**176,675**	151,740
Other reserves	**(508)**	(18)
Share-based payments reserve	**3,596**	3,630
Foreign currency translation reserve	**95,061**	75,801
	537,930	493,832
	$ **722,168**	$ 612,183

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, 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 North America, South America, Australia, Asia, and Africa.

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") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies as outlined in the Company's annual Consolidated Financial Statements for the year ended April 30, 2024.

On March 6, 2025, 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 Consolidated Statements of Operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intercompany 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, using the same accounting policies and methods of computation, with the exception of those detailed in note 4 below, as presented in the Company's annual Consolidated Financial Statements for the year ended April 30, 2024.

3. APPLICATION OF NEW AND REVISED IFRS® ACCOUNTING STANDARDS

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

- IAS 21 (as amended in 2023) - The Effect of Changes in Foreign Exchange Rates - effective for periods beginning on or after January 1, 2025, with earlier application permitted. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
- IFRS 18 (as issued in 2024) - Presentation and Disclosure of Financial Statements - effective for periods beginning on or after January 1, 2027, with earlier application permitted. The standard replaces IAS 1, Presentation of Financial Statements, and includes requirements for the presentation and disclosure of information in financial statements, such as the presentation of subtotals within the statement of operations and the disclosure of management-defined performance measures within the financial statements.

The Company is currently in the process of assessing the impact the adoption of the above amendment and standard will have on the Consolidated Financial Statements.

4. MATERIAL ACCOUNTING POLICIES

With the exception of the policy detailed below, all accounting policies and methods of computation remain the same as those presented in the Company's annual Consolidation Financial Statements for the year ended April 30, 2024.

Investments
Investments are accounted for using the equity method and are initially recognized at cost, inclusive of transaction costs. The Interim Condensed Consolidated Financial Statements include the Company's share of the income or loss and equity movement of equity accounted investments. The Company does not recognize losses exceeding the carrying value of its interest in investments.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of financial statements, in conformity with IFRS Accounting Standards, 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, inventory valuation, determination of income and other taxes, recoverability of deferred income tax assets, assumptions used in compilation of share-based payments, fair value of assets acquired and liabilities assumed in business acquisitions, provisions, contingent considerations, impairment testing of goodwill and intangible assets and long-lived assets.

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 the determination of the probability that deferred income tax assets will be realized from future taxable earnings.

6. SEASONALITY OF OPERATIONS

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

7. PROPERTY, PLANT AND EQUIPMENT

Capital expenditures for the three and nine months ended January 31, 2025 were $12,590 (2024 - $21,356) and $53,914 (2024 - $55,073), respectively. The Company did not obtain direct financing for the three and nine months ended January 31, 2025 or 2024.

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

8. INVESTMENTS

On July 22, 2024, the Company purchased shares in DGI Geoscience Inc. ("DGI") for $15,000 in cash consideration, a 39.8% equity interest (that provides the Company with 42.3% of the voting rights). DGI and its subsidiaries are privately held entities, headquartered in Canada, focused on downhole survey and imaging services as well as using artificial intelligence for logging scanned rock samples.

In addition to the equity interest, Major Drilling has representation on the DGI Board of Directors and has special approval rights (protective in nature) granted to the Company as part of the investment. As a result, the Company concluded that the equity method of accounting is appropriate for its investment in DGI.

During the first quarter, the Company incurred costs of $205 for its investments, relating to external legal fees and due diligence costs. These amounts have been recorded as part of the cost of the investment in the Interim Condensed Consolidated Balance Sheets.

9. LONG-TERM DEBT

During the quarter, the Company drew US$20,000 (CAD$28,954) on its existing revolving-term facility to partially fund the acquisition of Explomin Perforaciones and subsidiaries ("Explomin").

10. SHARE BUYBACK

During the prior year, for the three and nine months ended January 31, 2024, the Company repurchased 317,400 and 1,337,968 common shares, respectively, at an average price of $8.45 and $8.41, respectively, under its Normal Course Issuer Bid.

11. EXPENSES BY NATURE

Direct costs by nature are as follows:

	Q3 2025	Q3 2024	**YTD 2025**	YTD 2024
Depreciation	**$ 14,754**	$ 12,251	**$ 41,047**	$ 35,042
Employee salaries and benefit expenses	**62,209**	51,385	**197,127**	190,099
Materials, consumables and external costs	**59,940**	43,283	**172,360**	167,526
Other	**7,287**	7,019	**26,703**	25,736
	$ 144,190	$ 113,938	**$ 437,237**	$ 418,403

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

11. EXPENSES BY NATURE (Continued)

General and administrative expenses by nature are as follows:

	Q3 2025	Q3 2024	**YTD 2025**	YTD 2024
Amortization of intangible assets	**$ 1,171**	$ 266	**$ 1,714**	$ 791
Depreciation	**933**	580	**2,719**	2,033
Employee salaries and benefit expenses	**11,570**	8,966	**31,199**	26,892
Other general and administrative expenses	**9,076**	7,334	**24,003**	21,542
	$ 22,750	$ 17,146	**$ 59,635**	$ 51,258

12. INCOME TAXES

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

	Q3 2025	Q3 2024	**YTD 2025**	YTD 2024
Earnings (loss) before income tax	**$ (9,949)**	$ (1,388)	**$ 35,539**	$ 58,689
Statutory Canadian corporate income tax rate	**27%**	27%	**27%**	27%
Expected income tax provision based on statutory rate	**(2,686)**	(375)	**9,596**	15,846
Non-recognition of tax benefits related to losses	**2,242**	643	**3,213**	1,179
Utilization of previously unrecognized losses	**(993)**	387	**(2,699)**	(2,587)
Other foreign taxes paid	**157**	123	**454**	415
Rate variances in foreign jurisdictions	**(308)**	(427)	**(420)**	(308)
Permanent differences and other	**740**	573	**460**	989
Income tax provision recognized in net earnings	**$ (848)**	$ 924	**$ 10,604**	$ 15,534

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.

13. EARNINGS (LOSS) PER SHARE

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

	Q3 2025	Q3 2024	**YTD 2025**	YTD 2024
Net earnings (loss)	**$ (9,101)**	$ (2,312)	**$ 24,935**	$ 43,155
Weighted average number of shares:				
Basic (000s)	**81,843**	81,923	**81,834**	82,522
Diluted (000s)	**81,997**	82,082	**82,004**	82,757
Earnings (loss) per share				
Basic	**$ (0.11)**	$ (0.03)	**$ 0.30**	$ 0.52
Diluted	**$ (0.11)**	$ (0.03)	**$ 0.30**	$ 0.52

The calculation of diluted earnings per share for the three and nine months ended January 31, 2025 excludes the effect of 200,000 options for both periods (2024 - 297,000 and 205,000, respectively) as they were not in-the-money.

The total number of shares outstanding on January 31, 2025 was 81,844,586 (2024 - 81,780,486).

14. 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 Australasia 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, 2024, and as those described in note 4 herein. 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 2025	Q3 2024	**YTD 2025**	YTD 2024
Revenue				
Canada - U.S.*	**$ 43,042**	$ 62,252	**$ 215,591**	$ 270,392
South and Central America	**75,329**	34,019	**174,294**	138,124
Australasia and Africa	**42,360**	36,553	**150,148**	130,143
	$ 160,731	$ 132,824	**$ 540,033**	$ 538,659

*Canada - U.S. includes revenue of $17,678 and $22,937 for Canadian operations for the three months ended January 31, 2025 and 2024, respectively and $75,221 and $93,699 for the nine months ended January 31, 2025 and 2024, respectively.

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

14. SEGMENTED INFORMATION (Continued)

	Q3 2025	Q3 2024	YTD 2025	YTD 2024
Earnings (loss) from operations				
Canada - U.S.	$ (10,775)	$ 369	$ 4,725	$ 30,183
South and Central America	996	(2,345)	13,921	17,031
Australasia and Africa	5,753	2,663	31,186	20,806
	(4,026)	687	49,832	68,020
Finance (revenues) costs	922	(359)	(233)	(1,316)
General and corporate expenses**	5,001	2,434	14,526	10,647
Income tax	(848)	924	10,604	15,534
	5,075	2,999	24,897	24,865
Net earnings (loss)	$ (9,101)	$ (2,312)	$ 24,935	$ 43,155

**General and corporate expenses include expenses for corporate offices and stock-based compensation.

	Q3 2025	Q3 2024	YTD 2025	YTD 2024
Capital expenditures				
Canada - U.S.	$ 2,277	$ 9,061	$ 18,997	$ 23,895
South and Central America	7,602	6,995	17,330	17,881
Australasia and Africa	2,711	5,300	17,533	13,228
Unallocated and corporate assets	-	-	54	69
Total capital expenditures	$ 12,590	$ 21,356	$ 53,914	$ 55,073
Depreciation and amortization				
Canada - U.S.	$ 6,878	$ 5,827	$ 20,064	$ 17,618
South and Central America	5,486	3,015	11,890	8,544
Australasia and Africa	4,266	3,973	12,858	11,082
Unallocated and corporate assets	228	282	668	622
Total depreciation and amortization	$ 16,858	$ 13,097	$ 45,480	$ 37,866

	January 31, 2025	April 30, 2024
Identifiable assets		
Canada - U.S.*	$ 219,715	$ 277,092
South and Central America	338,939	169,773
Australasia and Africa	225,962	208,030
Unallocated and corporate liabilities	(62,448)	(42,712)
Total identifiable assets	$ 722,168	$ 612,183

*Canada - U.S. includes property, plant and equipment as at January 31, 2025 of $61,503 (April 30, 2024 - $62,991) for Canadian operations.

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

15. BUSINESS ACQUISITION

McKay Drilling PTY Limited
During the previous quarter, the Company paid the final contingent payment of $9.1 million in regards to the 2021 McKay Drilling PTY Ltd. acquisition as they successfully met all of the EBITDA milestones in their earnout period.

Explomin Perforaciones
Effective November 5, 2024, the Company acquired all of the issued and outstanding shares of Explomin, a leading specialty drilling contractor based in Lima, Peru.

The business combination was accounted for using the acquisition method. The Company acquired 92 drill rigs, support equipment, inventory, existing contracts and receivables, in addition to retaining the operation’s management team and other employees, including experienced drillers.

The purchase price for the acquisition is valued at an amount up to US$85,000 (subject to working capital adjustments), consisting of a cash payment of US$63,000 (net of cash acquired) funded from the Company's cash and existing debt facilities; and an additional contingent consideration of US$15,180 (discounted) tied to performance. The maximum amount of the contingent consideration is US$22,000, with an earnout period extending over three years from the effective date of November 5, 2024, contingent upon Explomin reaching average annual EBITDA of approximately US$21,000 over the earnout period.

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, 2025, 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 was equal to the excess of the total consideration paid over the fair value of the net assets acquired and represents the benefit of revenue growth, an experienced labour force, market expertise and operational knowledge in a unique market with substantial barriers to entry.

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

Net assets acquired:	
Trade and other receivables	$ 39,088
Inventories	7,283
Prepaid expenses	1,583
Property, plant and equipment	27,117
Deferred income tax assets	88
Investments	3,475
Goodwill (not tax deductible)	47,459
Intangible assets	17,900
Trade and other payables	(30,661)
Income tax payable	(2,002)
Deferred income tax liabilities	(6,144)
	$ 105,186

Consideration:	
Cash	$ 87,124
Less: cash acquired	(3,040)
Contingent consideration	21,102
	$ 105,186

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

15. BUSINESS ACQUISITION (Continued)

Subsequent to the date of acquisition, the trade and other receivables included in the above net assets acquired have been fully collected. Intangible assets acquired, made up of customer relationships and contracts, are amortized over five years.

The contingent consideration of $21,102 (discounted) is a non-cash investing activity therefore is not reflected in the Interim Condensed Consolidated Statements of Cash Flows.

The Company incurred acquisition-related costs of $669 relating to external legal fees and due diligence costs. These acquisition costs have been included in the other expenses line of the Interim Condensed Consolidated Statements of Operations.

The results of operations of Explomin are included in the Interim Condensed Consolidated Statements of Operations from November 5, 2024. Since the date of acquisition, revenue attributable to the Explomin operations was $33,000 with net earnings of $21. Due to the complexities of restating results using harmonized accounting policies, it is impracticable to reliably estimate the revenue and net earnings of the combined entities for the year as if the acquisition date had been May 1, 2024.

16. 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 contingent consideration and long-term debt approximates their fair value as the interest applicable is reflective of fair market rates.

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 enters into certain derivative financial instruments to manage its exposure to market risks, comprised of share-price forward contracts with a combined notional amount of $8,654, maturing at varying dates through June 2027.

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.

The Company's derivatives, with fair values as follows, are classified as level 2 financial instruments and recorded in trade and other receivables (payables) in the Interim Condensed Consolidated Balance Sheets. There were no transfers of amounts between level 1, level 2 and level 3 financial instruments for the three and nine months ended January 31, 2025.

	January 31, 2025	April 30, 2024
Share-price forward contracts	**$ (1,743)**	$ (595)

16. FINANCIAL INSTRUMENTS (Continued)

Credit risk

As at January 31, 2025, 94.7% (April 30, 2024 - 95.9%) of the Company's trade receivables were aged as current and 3.8% (April 30, 2024 - 3.5%) of the trade receivables were impaired.

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

	January 31, 2025	April 30, 2024
Opening balance	**$ 4,149**	$ 3,303
Increase in impairment allowance	**978**	1,607
Recovery of amounts previously impaired	**(717)**	(552)
Write-off charged against allowance	**(179)**	(135)
Foreign exchange translation differences	**78**	(74)
Ending balance	**$ 4,309**	$ 4,149

Foreign currency risk

As at January 31, 2025, the most significant carrying amounts of net monetary assets and/or liabilities (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 (in $000s CAD):

	Rate variance	MNT/USD	ARS/USD	IDR/USD	USD/CLP	USD/ZAR	USD/CAD	PEN/USD	Other
Net exposure on monetary assets (liabilities)		11,442	10,443	7,167	(19,898)	(4,916)	(14,194)	(5,230)	(266)
EBIT impact	+/-10%	1,271	1,160	796	2,211	546	1,577	581	30

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	$ 94,470	$ -	$ -	$ -	$ 94,470
Lease liabilities (interest included)	2,582	4,252	2,670	2,848	12,352
Contingent consideration (undiscounted)	-	23,249	4,206	-	27,455
Long-term debt (interest included)	1,847	1,847	29,878	-	33,572
	$ 98,899	**$ 29,348**	**$ 36,754**	**$ 2,848**	**$ 167,849**