



Bri-Chem Corp.
Interim Condensed Consolidated Financial Statements
(Unaudited)
March 31, 2020
(Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Consolidated Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors PricewaterhouseCoopers LLP have not reviewed the unaudited interim condensed consolidated financial statements as at and for the period ended March 31, 2020.

Q1 2020

Interim Condensed Consolidated Statements of Operations and Comprehensive Income			
(Canadian dollars)			
(unaudited)			
For the three months ended	Note	March 31 2020	March 31 2019
Sales		\$ 21,415,721	\$ 25,898,210
Cost of sales		17,750,854	21,319,431
Gross margin		3,664,867	4,578,779
Expenses			
Salaries and benefits		1,949,564	2,240,926
Selling, general and administration		1,125,661	831,228
Depreciation on property and equipment		295,873	536,635
		3,371,098	3,608,789
Operating earnings		293,769	969,990
Financing costs		534,014	747,949
Foreign exchange loss (gain)		206,378	(75,158)
		740,392	672,791
(Loss) / earnings before income taxes		(446,623)	297,199
Income tax recovery / expense			
Current		23,042	(62,105)
Deferred		—	—
		23,042	(62,105)
Net (loss) / earnings		\$ (469,665)	\$ 359,304
Other comprehensive income, net of tax of \$nil (2018-\$nil)			
Foreign currency translation adjustment		1,064,538	(151,697)
Total comprehensive income		\$ 594,873	\$ 207,607
(Loss) / earnings per share			
Basic	7	\$ (0.02)	\$ 0.02
Diluted	7	\$ (0.02)	\$ 0.02

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

Interim Condensed Consolidated Statements of Financial Position			
(Canadian dollars)			
(unaudited)			
	Note	March 31 2020	December 31 2019
Assets			
Current assets			
Accounts receivable	4	\$ 18,184,473	\$ 16,674,813
Inventories		18,584,856	19,195,877
Prepaid expenses and deposits		575,588	500,107
		37,344,917	36,370,797
Non-current assets			
Property and equipment		7,492,303	7,335,823
Right-of-use assets		1,275,913	1,334,920
Other long-term assets		171,118	156,672
		\$ 46,284,251	\$ 45,198,212
Liabilities			
Current liabilities			
Bank indebtedness	5	\$ 11,958,751	\$ 10,820,408
Accounts payable and accrued liabilities		7,998,038	8,400,155
Current portion of long-term debt	6	800,000	800,000
Current portion of lease liabilities		903,674	858,692
Income taxes payable		47,584	21,467
		21,708,047	20,900,722
Non-current liabilities			
Long-term debt	6	7,053,090	7,232,421
Lease liabilities		865,896	998,073
Deferred tax liabilities		50,996	50,996
Other long-term liabilities		13,449	18,100
		29,691,478	29,200,312
Equity			
Share capital		33,537,199	33,537,199
Contributed surplus		4,035,160	4,035,160
Deficit		(18,777,213)	(18,307,548)
Accumulated other comprehensive loss		(2,202,373)	(3,266,911)
		16,592,773	15,997,900
		\$ 46,284,251	\$ 45,198,212

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

Interim Condensed Consolidated Statements of Changes in Equity						
(Canadian dollars)						
(unaudited)						
	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive (loss) / income	Total equity	
Balance at January 1, 2019	\$ 33,537,199	\$ 4,035,160	\$ (14,651,723)	\$ (2,767,385)	\$	20,153,251
Total comprehensive (loss) / income	—	—	359,304	(151,697)		207,607
Balance at March 31, 2019	\$ 33,537,199	\$ 4,035,160	\$ (14,292,419)	\$ (2,919,082)	\$	20,360,858
Balance at January 1, 2020	\$ 33,537,199	\$ 4,035,160	\$ (18,307,548)	\$ (3,266,911)	\$	15,997,900
Total comprehensive (loss) / income	—	—	(469,665)	1,064,538		594,873
Balance at March 31, 2020	\$ 33,537,199	\$ 4,035,160	\$ (18,777,213)	\$ (2,202,373)	\$	16,592,773

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

Interim Condensed Consolidated Statements of Cash Flows (Canadian dollars) (unaudited)		
For the three months ended	March 31 2020	March 31 2019
Operating activities		
Net (loss) / earnings	\$ (469,665)	\$ 359,304
Adjustments for:		
Depreciation on property and equipment	295,873	536,635
Amortization of debt related transaction costs	52,159	42,040
Foreign exchange loss (gain) on debt	210,534	(79,119)
Unrealized foreign exchange gain	(7,199)	(4)
Interest on debt and finance leases	482,015	705,547
Gain on disposal of equipment	(1,724)	—
Change in non-cash working capital	315,608	4,053,460
Total cash provided by operating activities	877,601	5,617,863
Financing activities		
Advances (repayments of) on bank indebtedness	21,793	(4,265,807)
Interest paid on debt and finance leases	(485,771)	(729,030)
Repayment of obligations under finance lease	(215,347)	(341,878)
Repayment of long-term debt	(200,000)	(200,000)
Total cash (used in) financing activities	(879,325)	(5,536,715)
Investing activities		
Proceeds on sale of property and equipment	1,724	—
Purchase of property and equipment	—	(81,148)
Total cash (used in) provided by investing activities	1,724	(81,148)
Net change in cash and cash equivalents	—	—
Cash and cash equivalents, beginning of the period	—	—
Cash and cash equivalents, end of the period	\$ —	\$ —

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

Bri-Chem Corp.
Notes to the Interim Condensed Consolidated Financial Statements
For the three months ended March 31, 2020
(Unaudited)

1. Description of Business

Bri-Chem Corp. ("the Company" or "Bri-Chem") is an independent wholesale supplier of drilling fluids and chemicals for the oil and gas industry operating from owned or leased warehouses located throughout Canada and the United States. Bri-Chem Corp. was incorporated under the laws of the Province of Alberta, Canada and its head office is in Acheson, Alberta, Canada. Its registered and primary place of business is 27075 Acheson Road, Acheson, Alberta T7X 6B1.

Weather conditions can materially impact the sale of the Company's products and services, particularly in its Canadian divisions during spring break-up. Additionally, many exploration and production areas in the northern Western Canadian Sedimentary Basin are accessible only in winter months when the ground is frozen hard enough to support the weight of heavy equipment. The timing of freeze-up and spring break-up affects the ability to move equipment in and out of these areas. As a result, late March through May is traditionally the Company's slowest period.

2. Basis of presentation

a) Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board. The unaudited interim condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company for the years ended December 31, 2019 and 2018 as filed on SEDAR at www.sedar.com.

These unaudited interim condensed financial statements were approved for issuance by Bri-Chem's Board of Directors on May 11, 2020 and are presented in Canadian dollars, which is Bri-Chem's functional currency.

b) Principles of Consolidation

The financial statements of the Company consolidate the accounts of Bri-Chem and its subsidiaries which are entities over which the Company has control. Control exists when the Company has the power, directly or indirectly, to direct the relevant activities of an entity so as to obtain benefit from its activities. Inter-company transactions, balances and unrealized gains and losses from inter-company transactions are eliminated on consolidation.

c) Going Concern

These interim condensed consolidated financial statements were prepared on a going concern basis which contemplates the realization of assets and satisfaction of liabilities in the normal course of business for the foreseeable future. For the quarter ended March 31, 2020, the Company incurred a net loss of \$469,655 and has accumulated losses over the past two fiscal years. Operations have been financed by a combination of funds generated from business activities and from advances from bank indebtedness under the Asset-Based Lending Facility (the "ABL Facility") (Note 4) which totaled \$11,958,751 as at March 31, 2020. The total borrowing base of this facility as at March 31, 2020 was \$17,750,701 as determined by eligible accounts receivable and inventory, leaving \$5,335,061 of excess availability. The Company's ability to continue as a going concern is dependent on its ability to access the ABL Facility as well as its term debt agreement, generate future net income, and realize cash from operating activities. These financial statements do not reflect the adjustments and classifications to assets, liabilities, revenues, and expenses that would be necessary if the Company were unable to continue as a going concern. Such adjustments could be material. Should the Company be unable to meet its obligations as they become due or be unable to access its lending facilities, the preparation of these consolidated financial statements on a going concern basis may not be appropriate. Management is currently pursuing strategies to improve borrowing capacity that could include additional restructuring such as closure of underperforming warehouses, continuing to sell down inventory, debt and/or equity financing, and/or the sale of assets. Through these initiatives the Company expects to have availability under its ABL Facility to meet its future obligation.

2. Basis of presentation (cont'd)

However, there can no assurance that these efforts will be successful. A number of uncertainties such as the COVID-19 pandemic and commodity prices instability raises significant doubt about whether the Company will continue to operate as a going concern, and therefore, whether it will realize its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial statements. Should the Company be unable to meet its obligations as they become due or unable to meet the ABL Facility, the preparation of these interim financial statements on a going concern basis may not be appropriate.

d) Use of Estimates and Judgements

Management applied significant judgement in preparing forecasts to support the going concern assumption. Forecasted revenues were based on the expected demand for drilling fluids and chemicals that are influenced by current and future commodity prices in Canada and the US, drilling activity levels and North American supply and demand levels. Forecasted operating and general administrative expenses were based on forecasted revenues and historical gross margins. Actual commodity prices, drilling activity levels and corresponding demand for the Company's products and services may differ significantly from those forecasted by management, which could cast significant doubt about the Company's ability to continue as a going concern. As described in Note 2(e), due to the outbreak of the novel coronavirus ("COVID-19") and the resulting impact on the economy and in particular the price of oil and natural gas, the estimates and judgements made by management in the preparation of these financial statements are increasingly difficult and subject to a higher degree of measurement uncertainty during this volatile period.

e) Impact of COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Governments worldwide, including those countries in which Bri-Chem operates, have enacted emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused a material disruption to businesses globally resulting in an economic slowdown and decreased demand for oil. Governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions; however, the success of these interventions is not yet determinable. The current challenging economic climate may have significant adverse impacts on the Company including, but not limited to, substantial reductions in revenue and cash flows and increased risk of non-payment of accounts receivable. The situation remains dynamic and the duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time.

3. Summary of significant accounting policies

The accounting policies followed by the Company are set out in Note 2 to the audited financial statements for the fiscal year ended December 31, 2019 and have been consistently followed in preparation of these interim condensed consolidated financial statements.

Newly adopted accounting standards

IAS 1 Presentation of Financial Instruments Amendment (effective January 1, 2020)

Effective January 1, 2020, the Company adopted IAS 1 Presentation of Financial Instruments ("IAS 1") which sets out the overall requirements for financial statements, including how they are structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.

3. Summary of significant accounting policies (cont'd)

The amendment, revises IAS 1 to incorporate a new definition of material. The new definition states that “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The IAS 1 amendment is effective January 1, 2020 and did not to have a material impact on the company’s financial statements.

IFRS 3 Business Combinations (effective January 1, 2020)

In October 2018, the International Accounting Standards Board (“IASB”) issued Definition of a Business (“Amendments to IFRS 3” or “IFRS 3”) to provide clarification guidance for entities to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments confirmed that a business must include inputs and a process, and clarified that the process must be substantive; and the inputs and process must together significantly contribute to creating outputs. The amendment guidance narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The IFRS 3 amendment is effective January 1, 2020, with earlier application permitted. These amendments will apply to the Company’s future business combinations.

4. Accounts receivable

Accounts receivable recognized in the interim condensed consolidated statements of financial position are as follows:

	March 31 2020	December 31 2019
Trade accounts receivable	\$ 18,544,575	\$ 16,733,418
Allowance for doubtful accounts	(375,792)	(318,692)
Trade accounts receivable, net	18,168,783	16,414,726
Other receivables	15,690	260,087
Accounts receivable	\$ 18,184,473	\$ 16,674,813

The Company completed an Expected Credit Loss (“ECL”) assessment for its trade accounts receivables using the Simple ECL Model prescribed under IFRS 9, and determined that expected credit losses were adequately covered by the amounts provided under allowance for doubtful accounts (AFDA), therefore no additional ECL adjustments were required as at March 31, 2020.

The Company pledged its accounts receivables with a carrying amount of \$18,184,473 (December 31, 2019 - \$16,674,813) as collateral for the Asset-Based Lending (“ABL”) Facility described in Note 5.

4. Accounts receivable (cont'd)

The change in the allowance for doubtful accounts is as follows:

	March 31 2020	December 31 2019
Balance, beginning of year	\$ 318,692	\$ 496,284
Bad debts	33,671	122,241
Receivables written off	(1,426)	(299,833)
Translation adjustment	24,855	—
Balance, end of year	\$ 375,792	\$ 318,692

5. Bank indebtedness

Bank indebtedness relates to borrowings on the Company's ABL Facility with Canadian Imperial Bank of Commerce Asset-Based Lending Inc. ("CIBC"). The ABL Facility is subject to a borrowing base which is calculated as a percentage of eligible inventory and accounts receivable.

On May 9, 2019, the Company amended the terms of the ABL Facility to decrease the maximum borrowing base down to \$30,000,000 with a further reduction down to \$25,000,000 by September 1, 2019. Other amendments include a borrowing base block of \$500,000 on May 9, 2019 and increasing in increments of \$500,000 on the last day of each month until a maximum borrowing base block of \$3,000,000 is reached on the last day of September 2019. In addition, the agreement amended financial covenants of minimum trailing twelve month EBITDA and minimum tangible net worth. As a result of Covid-19, the Company received a letter from its lender that waived the default of delivering the annual audited financial statements within 90 days of the fiscal year end.

A summary of the Company's financial covenants are as follows:

	March 31, 2020	Covenant	December 31, 2019	Covenant
Eligible capital expenditures	\$ —	Not to exceed \$251,856	\$ 245,187	Not to exceed \$251,000
Minimum adjusted tangible net worth	\$ 17,879,135	Must exceed \$16,700,000	\$ 17,416,962	Must exceed \$16,700,000
Minimum trailing twelve month EBITDA	\$ 1,705,357	Must exceed \$1,250,000	\$ 2,622,341	Must exceed \$1,250,000

As at March 31, 2020, the Company was in compliance with all of its financial covenants. Failure to comply with the obligations in either of these credit facilities could result in default which, if not remediated or waived, could permit acceleration of the relevant indebtedness.

6. Long-term debt

	March 31 2020	December 31 2019
GreyPoint Capital Inc. term loan, bearing interest at 30 day average Bankers' Acceptance Rate plus 8.0%, repayable monthly principal of \$66,667 plus interest with the balance due upon maturity on November, 2022.	\$ 8,066,667	\$ 8,266,666
Less: transaction costs	213,577	234,245
	7,853,090	8,032,421
Less: current portion	800,000	800,000
	\$ 7,053,090	\$ 7,232,421

6. Long-term debt (cont'd)

Changes in financing activities		
	March 31 2020	December 31 2019
Long-term debt balance January 1	\$ 8,032,421	\$ 8,777,128
Cash movements		
Debt repayments ¹	(200,000)	(825,000)
Debt advances	-	-
Non-cash movements		
Amortization of non-cash interest	\$ 20,669	80,293
Foreign currency translation included in OCI	-	-
	\$ 7,853,090	\$ 8,032,421

The Company signed an agreement with GreyPoint Capital Inc. ("GreyPoint") on November 6, 2007 to refinance its subordinated debt from another lender. The GreyPoint financing consists of a \$10 million term loan with the same financial covenants as the ABL Facility. \$350,000 of transaction costs were incurred as part of this refinancing and are being amortized over the term of the agreement. The subordinated debt is secured by the following: an unlimited corporate guarantee supported by a general security agreement from Bri-Chem Supply Ltd. And Sodium Solutions Inc. and from all other material entities within the group determined by the lender subordinated only to a prior charge from the ABL Facility; second demand collateral land mortgage and assignment of rents from Bri-Chem Corp. created a second fixed specific mortgage charge overall lands and premises located at 27075 Acheson Road, Acheson, Alberta and 4420 - 37 Street in Camrose, Alberta; assigned by Bri-Chem Corp. to GreyPoint of all risk insurance in amounts and from an insurer acceptable to GreyPoint, on all Bri-Chem real property, without limitation lands, buildings, equipment and inventory owned by Bri-Chem Corp., showing GreyPoint as second loss payee, including business interruption and public liability insurance. As a result of Covid-19, the Company received a letter from its lender that waived the default of delivering the audited financial statements within 90 days of the fiscal year end.

7. (Loss)/ earnings per share

Basic and diluted (loss) / earnings per share were calculated using profit attributable to shareholders of the Company as the numerator.

	March 31 2020	March 31 2019
For the three months ended		
Net (loss) / earnings attributable to the shareholders of the Company	\$ (469,665)	\$ 359,304
Basic weighted average number of ordinary shares	23,923,981	23,923,981
Dilutive options issued and outstanding	—	8,600
Diluted weighted average number of ordinary shares	23,923,981	23,932,581
Basic (loss) / earnings per share	\$ (0.02)	\$ 0.02
Diluted (loss) / earnings per share	(0.02)	0.02

8. Segment reporting

The Company manages its business in five reportable segments: Fluids Distribution Canada, Fluids Distribution USA, Fluids Blending & Packaging Canada, Fluids Blending & Packaging USA, and Other. The operating segment(s) of the Company has separate financial information available and is evaluated regularly by the chief operating decision makers in allocating resources and assessing performance. The chief operating decision makers of the Company is the Chief Executive Officer and Chief Financial Officer. Other includes activities related to corporate and public company affairs. Revenues between Fluids Blending & Packaging Canada and Fluids Distribution Canada are recorded at market value. The revenue from external parties is measured in a manner consistent with that in the consolidated statement of operations.

Selected financial information by reportable segment is disclosed as follows:

For the three months ended March 31, 2020	Fluids Distribution			Fluids Blending & Packaging			Other	Consolidated
	Canada	USA	Total	Canada	USA	Total		
Total revenues	\$ 3,836,601	\$ 12,606,444	\$ 16,443,045	\$ 3,124,335	\$ 2,225,095	\$ 5,349,430	\$ —	\$ 21,792,475
Revenues from internal customers	55,442	83,613	139,055	234,909	2,791	237,700	—	376,754
Revenues from external customers	3,781,159	12,522,831	16,303,990	2,889,426	2,222,304	5,111,730	—	21,415,721
Cost of sales	3,208,673	10,682,589	13,891,262	2,228,617	1,630,974	3,859,591	—	17,750,854
Operating earnings / (loss) ⁽¹⁾	209,540	391,195	600,735	222,316	212,046	434,362	(651,833)	383,264
Amortization and depreciation	1,965	198,244	200,209	3,698	56,274	59,972	35,692	295,873
Interest	1,039	22,801	23,840	—	386	386	509,788	534,014
Income tax expense / (recovery)	51,634	—	51,634	54,655	—	54,655	(83,247)	23,042
Segment profit (loss)	\$ 154,902	\$ 170,150	\$ 325,052	\$ 54,655	\$ —	\$ 319,349	\$ (1,114,066)	\$ (469,665)
Segment assets	\$ 9,571,511	\$ 26,129,629	\$ 35,701,140	\$ 3,481,806	\$ 3,594,366	\$ 7,076,172	\$ 3,506,939	\$ 46,284,251
Capital expenditures	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
For the three months ended March 31, 2019	Fluids Distribution			Fluids Blending & Packaging			Other	Consolidated
Canada	USA	Total	Canada	USA	Total			
Total revenues	\$ 5,424,933	\$ 15,378,135	\$ 20,803,068	\$ 3,128,742	\$ 2,333,832	\$ 5,462,574	\$ —	\$ 26,265,642
Revenues from internal customers	87,492	—	87,492	279,940	—	279,940	—	367,432
Revenues from external customers	5,337,441	15,378,135	20,715,576	2,848,802	2,333,832	5,182,634	—	25,898,210
Cost of sales	4,734,197	12,942,049	17,676,246	2,174,851	1,468,334	3,643,185	—	21,319,431
Operating earnings / (loss) ⁽¹⁾	219,378	974,663	1,194,041	257,153	545,447	802,600	(414,857)	1,581,784
Amortization and depreciation	11,985	431,230	443,215	5,576	49,707	55,283	38,138	536,636
Interest	805	34,507	35,312	473	—	473	712,164	747,949
Income tax expense / (recovery)	55,779	—	55,779	67,798	—	67,798	(185,682)	(62,105)
Segment profit (loss)	\$ 150,809	\$ 508,926	\$ 659,735	\$ 183,306	\$ 495,740	\$ 679,046	\$ (979,477)	\$ 359,304
Segment assets	\$ 15,958,345	\$ 37,219,057	\$ 53,177,402	\$ 3,751,993	\$ 3,539,510	\$ 7,291,503	\$ 6,273,925	\$ 66,742,830
Capital expenditures	\$ —	\$ 81,148	\$ 81,148	\$ —	\$ —	\$ —	\$ —	\$ 81,148

⁽¹⁾ Operating earnings / (loss) includes foreign exchange gain / (loss)

8. Segment reporting (cont'd)

The Company's operations are conducted in the following geographic locations:

For the three months ended	March 31 2020	March 31 2019
Revenue		
Canada	\$ 6,670,585	\$ 8,186,243
United States	14,745,136	17,711,967
	\$ 21,415,721	\$ 25,898,210
Non-current assets		
Canada	\$ 4,208,211	\$ 4,351,810
United States	4,731,123	7,926,812
	\$ 8,939,334	\$ 12,278,622

9. Financial Instruments and Risk Management

The Company is exposed to various risks in relation to financial instruments. These risks include credit risk, interest rate risk, currency risk, and liquidity risk. The Company's risk management function is performed by management within guidelines approved by its Board of Directors. The Company seeks to minimize the effects of the identified risks by focusing on actively securing short to medium-term cash flows and minimizing exposures to capital markets.

Credit risk

Credit risk arises from the possibility that the entities to which the Company provides services may experience financial difficulty and would be unable to fulfill their obligations. The Company's trade receivables are with customers in the crude oil and natural gas industry and are subject to normal industry credit risk. The Company's practice is to manage credit risk by performing a detailed analysis of the credit worthiness of new customers before the Company's standard payment terms are offered. Additionally, the Company continuously reviews individual customer trade receivables, taking into consideration payment history and the aging of the trade receivable to monitor collectability.

The table below provides an analysis of the Company's accounts receivable as follows:

	Gross accounts receivable	Allowance for doubtful accounts	Net accounts receivable
March 31, 2020			
Current	\$ 5,193,736	\$ —	\$ 5,193,736
31 to 60 days	7,060,751	—	7,060,751
61 to 90 days	3,537,984	—	3,537,984
91 to 120 days	1,345,418	—	1,345,418
Over 120 days	1,422,376	(375,792)	1,046,584
Total	\$ 18,560,265	\$ (375,792)	\$ 18,184,473
December 31, 2019			
Current	\$ 6,856,808	\$ —	\$ 6,856,808
31 to 60 days	5,026,979	—	5,026,979
61 to 90 days	2,671,471	—	2,671,471
91 to 120 days	661,695	—	661,695
Over 120 days	1,776,553	(318,692)	1,457,861
Total	\$ 16,993,505	\$ (318,692)	\$ 16,674,813

Interest rate risk

The Company is exposed to interest rate risk for borrowings on its ABL facility to the extent that the prime interest rate changes. The Company's long-term debt on the GreyPoint facility has a fixed interest rate and is therefore not directly exposed to interest rate risk; however, it is subject to interest rate fluctuations relating to refinancing as required.

9. Financial Instruments and Risk Management (cont'd)

Currency risk

The Company and its US subsidiaries are subject to foreign currency risk due to its accounts receivable, accounts payable and accrued liabilities, bank indebtedness, and long-term debt denominated in foreign currencies. Therefore, there is a risk of earnings fluctuations arising from changes in and the degree of volatility of foreign exchange rates arising on foreign monetary assets and liabilities.

An analysis of currency risk for the Company is as follows:

	Foreign currency denominated monetary financial assets	Foreign currency denominate monetary financial liabilities	Net position
Balance, March 31, 2020			
USD denominated (USD)	\$ 18,456	\$ (307,063)	\$ (288,606)
Currency translation at March 31, 2020 currency exchange rate (1.4187) (CAD)	26,184	(435,630)	(409,446)
Assuming CAD currency weakens against USD currency by 5% (1.4896) (CAD)	27,493	(457,411)	(429,918)
Impact (CAD)	\$ 1,309	\$ (21,781)	\$ (20,472)

Liquidity risk

Liquidity risk is the exposure of the Company to the risk of not being able to satisfy its financial liabilities as they become due. The Company actively monitors its financing obligations to ensure that it has enough available funds to meet current and foreseeable future financial requirements at a reasonable cost. The Company mitigates liquidity risk by maintaining adequate Credit Facilities, and through the forecasting and management of its operational cash flows. Management of operational cash flows takes into consideration the Company's debt financing plans and covenant compliance.

The Company manages its capital structure based on current economic conditions, the risk characteristics of the underlying assets, and planned capital requirements within guidelines approved by its Board of Directors. Total capitalization is adjusted by drawing on existing debt facilities, issuing new debt or equity securities when opportunities are identified, and through disposition of underperforming assets to reduce debt when required.

As at March 31, 2020, the Company had \$5,335,061 (December 31, 2019 - \$6,372,055) of undrawn credit available on the ABL Facility. Aside from the capital requirements associated with its ABL Facility and long term debt facilities as disclosed in Note 5, the Company is not subject to any other external capital requirements.

The total capital structure of the Company is as follows:

	March 31 2020	December 31 2019
Bank indebtedness	\$ 11,958,751	\$ 10,820,408
Long-term debt	7,853,090	8,032,421
Obligations under finance lease	1,769,570	1,856,765
Equity	16,592,773	15,997,900
Total capital	\$ 38,174,184	\$ 36,707,494

The Company's liquidity and cash flow from operations has been impacted by a variety of external factors including: (a) further volatility in crude oil prices due to macro-economic uncertainty; and (b) COVID-19 impacting both the global and local economy in general and global oil demand in particular. As a result of these factors and a lack of available storage capacity, Canadian and USA oil and gas companies have significantly scaled back their drilling operations, which has had a significant impact on our business. Depending on the severity and duration of the current market pullback, management has stress tested the Company's liquidity position to meet all commitments as well as created various levels of mitigation actions to respond to reductions in revenue. The potential impact that COVID-19 will have on our business or financial results cannot be reasonably estimated at this time, which in turn could lead to non-compliance of certain lending covenant on the Company's Credit Facilities, which if not amended or waived, could limit, in part, or in whole, the Company's access to the Credit Facilities and could accelerate repayment.

9. Financial Instruments and Risk Management (cont'd)

Cash flows related to bank indebtedness and accounts payable and accrued liabilities included below may occur at different times or amounts. A maturity analysis of the Company's outstanding obligations at March 31, 2020 is as follows:

March 31	Accounts payable and accrued				Long-term debt	Finance leases	Total
	Bank indebtedness	liabilities					
2021	\$ 11,958,751	\$ 7,998,038	\$ 800,000	\$ 903,674	\$ 21,660,463		
2022	—	—	800,000	399,220	1,199,220		
2023	—	—	6,253,090	399,220	6,652,310		
2024	—	—	—	67,456	67,456		
2025	—	—	—	—	—		
Thereafter	—	—	—	—	—		
Total	\$ 11,958,751	\$ 7,998,038	\$ 7,853,090	\$ 1,769,570	\$ 29,579,449		

10. Subsequent events

On April 17, 2020, the Company amended the terms of the ABL Facility for certain financial covenants. In particular, the amendment allows for the December 31, 2019 impairment charge of \$2,207,116 to be added back to the adjusted tangible net worth covenant.