FORAGE ORBIT GARANT DRILLING

MANAGEMENT'S DISCUSSION AND ANALYSIS

FIRST QUARTER FISCAL 2015

(Three-month period ended September 30, 2014)

November 12, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") is a review of the results of operations, the liquidity and the capital resources of Orbit Garant Drilling Inc. This discussion contains forward-looking statements. Please see ''Forward-Looking Statements'' for a discussion of the risks, uncertainties and assumptions relating to these statements.

This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three-month period ended September 30, 2014; as compared with the corresponding period of the previous year and also with the audited consolidated financial statements and MD&A contained in the Company's annual report for the fiscal year ended June 30, 2014.

The Company's first quarter of fiscal 2015 unaudited interim condensed consolidated financial statements and the accompanying notes were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are in Canadian dollars, except when otherwise noted.

In this MD&A, references to the "Company" or to "Orbit Garant" shall mean, as the context may require, either Orbit Garant Drilling Inc. or Orbit Garant Drilling Inc. together with its wholly owned subsidiaries.

This MD&A is dated November 12, 2014. Disclosure contained in this document is current to that date unless otherwise stated.

Percentage calculations are based on numbers in the Financial Statements and may not correspond to rounded figures presented in this MD&A.

Additional information relating to the Company, including the Company's Annual Information Form for the most recently completed fiscal year, can be found on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Securities laws encourage companies to disclose forward-looking information in order for investors to have a better understanding of a company's future prospects and make informed investment decisions.

This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are "forward-looking" because they are based on current expectations, estimates and assumptions about: the markets in which the Company operates; the world economic climate as it relates to the mining industry; the Canadian economic environment; and the Company's ability to attract and retain customers and to manage its assets and operating costs.

Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on these forward-looking statements.

The Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events or for any other reasons except in accordance with applicable securities laws. Risks that could cause the Company's actual results to materially differ from its current expectations are discussed in this MD&A. For a more complete discussion of the risk factors that could cause the Company's actual results to materially differ from its current expectations, please refer to the Company's Annual Information Form dated September 26, 2014, accessible via www.sedar.com.

FISCAL 2015 FIRST QUARTER SUMMARY

- Revenue was \$20.7 million in the first quarter of fiscal 2015 ("Q1 FY2015"), compared to \$18.5 million in the first quarter of fiscal 2014 ("Q1 FY2014")
- Gross margin was 9.5% compared to 10.7 % in Q1 FY2014
- Adjusted gross margin (excluding depreciation expense) was 20.6%, compared to 23.5% in Q1 FY2014
- EBITDA increased to \$2.1 million from \$1.7 million in Q1 FY2014
- Net loss of \$0.6 million compared to \$1.1 million in Q1 FY2014
- 230,922 metres drilled in Q1 FY2015, up from 201,503 metres in Q1 FY2014
- Debt reduction of \$1.4 million during Q1 FY2015

Orbit Garant's results in the first quarter of fiscal 2015 reflected a slight increase in drilling volumes, which remain low when compared with the Company's historical levels, due to the difficult market conditions prevailing in the mineral drilling industry. Many senior and intermediate mining companies have scaled back their drilling programs over the past 24 months, and junior mining companies have significantly cut their exploration activities due to a lack of capital. Orbit Garant's customers' drilling activity in Q1 FY2015 reflects these broad market trends. The Company continues to control costs, monitor its workforce and manage its capital expenditures to adjust to the current level of business activity.

CORPORATE OVERVIEW

From its head office in Val-d'Or, Québec, Orbit Garant, with approximately 600 employees and a fleet of 214 drill rigs, provides surface and underground drilling services to the mining and exploration industry in Canada and internationally. The Company also provides geotechnical drilling services to mining or mineral exploration companies, engineering and environmental consultant firms and government agencies. The majority of Orbit Garant's business activity is currently conducted in Canada. The Company has worked on international projects in the United States, Mexico, Guyana, Mauritania and Liberia. Orbit Garant recently established new operating subsidiaries in Chile and Ghana to pursue international business opportunities.

Orbit Garant has a comprehensive infrastructure that is vertically integrated with its subsidiary, Soudure Royale, which manufactures drill rigs for the Company and third parties (and so provides the Company with a competitive advantage in the provision of drilling services and equipment). Orbit Garant focuses on "specialized drilling" which refers to those drilling projects that are in remote locations or, in the opinion of Management, because of the scope, complexity or technical nature of the work, cannot be completed by smaller conventional drilling companies.

The Company has two operating segments: Canada (including domestic surface drilling, underground drilling and manufacturing), and International.

For the three-month period ended September 30, 2014:

- Specialized drilling services, which typically generate a higher gross margin than conventional drilling services, accounted for approximately 41% of the Company's total revenue.

- Approximately 67% of the Company's revenue was generated by gold related operations, and approximately 33% was generated by base metal related and other operations.

- Surface and underground drilling services accounted for approximately 59% and 40%, respectively, of the Company's revenue. Orbit Garant's manufacturing subsidiary, Soudure Royale, accounted for the remaining 1% of revenue.

- Approximately 78% of Orbit Garant's revenue was generated from major and intermediate mining company projects, compared to 83% in Q1 FY2014. Orbit Garant's drilling contracts with major and intermediate customers are typically from one to three years in length.

BUSINESS STRATEGY

Orbit Garant's goal is to be the leading Canadian-based mineral drilling company. This will be achieved through the pursuit of both domestic and international opportunities and through the provision of best-in-class underground and surface drilling services, equipment and personnel for all stages of the mining and mineral business, including exploration, development and production. The Company employs the following business strategies:

- Focus primarily on major and well-financed intermediate mining and exploration companies operating in stable jurisdictions;
- Provide conventional, specialized and geotechnical drilling services;
- Manufacture drills and equipment to fit the needs of customers;
- Maintain a commitment to Research and Development ("R&D") and advanced drilling technologies, such as the Company's current implementation of computerized monitoring and control technologies;
- Provide training for the Company's personnel to continuously improve labour efficiency and the availability of a skilled labour force;
- Maintain a high level of health and safety standards in the workplace and promote protection of the environment;
- Establish and maintain long-term relationships with customers;
- Cross-sell drilling services to existing customers;
- Expand the Company's base of operations in strategic regions; and
- Evaluate strategic acquisition opportunities to enhance value for the Company's stakeholders.

INDUSTRY OVERVIEW

Orbit Garant provides drilling services to the mineral industry through all stages of mine development, from exploration through production. The client mining companies consist of major (or senior), intermediate, and junior exploration companies. Demand for drilling services is driven by conditions in the global markets for ferrous (iron) and non-ferrous (precious and base metals) metals. The strength of demand is determined primarily by metals prices and the availability of capital for mining companies to finance exploration (particularly in the case of juniors) and development programs, and/or ongoing mining operations.

Gold

Gold prices are influenced by global investment demand, global demand for gold jewelry; and to a much lesser extent, demand from industrial applications. Following a prolonged rally in the price of gold that started in 2001 and resulted in a peak price for gold of more than US$1,900 per ounce in September 2011, the price of gold entered a period of overall decline starting in January 2013, when it was at approximately US$1,700 per ounce. The price of gold reached a new, trailing four-year price low of approximately US$1,140 per ounce on November 7, 2014. At the time of this report, the spot price of gold was just over US$1,155 per ounce.

Base Metals

Base metals' price performance generally reflects global economic conditions, as these metals are used primarily in infrastructure, industrial and manufacturing applications. Demand from emerging markets, particularly China and India, has a major influence on base metals markets. As emerging markets advance their economic development, their infrastructure and industrial bases expand. Further, residents typically become more affluent, driving increased demand for manufactured goods.

Aluminum, copper, lead, nickel and zinc are the primary base metals. At the time of this report, the spot prices for copper and lead were lower than 12 months ago, while the spot prices of aluminum, nickel and zinc were higher. The spot price for copper, the metal widely considered to be the most sensitive to macroeconomic activity, was just over US$3.25 per pound a year ago and at the time of this report was just over US$3.00 per pound. Current spot prices for each of the primary base metals, except for zinc, are currently at the lower end of their trailing five-year price ranges.

Iron Ore

Iron ore prices are determined by the global demand for steel, as more than 95% of mined iron ore is used to make steel. As the world's largest steel consumer, China is widely regarded as having the most influence on global iron ore market prices. Continuing urbanization of the world's population, particularly in China and India, the world's most populous countries, is fuelling global steel consumption, with demand expected to double by 2050. In Canada, there has been a recent surge in exploration activity in the Labrador Trough region of Quebec and Labrador, which may impact future supply and prices as some of these projects come into production. In the short term, the spot price of iron ore is principally affected by seasonal effects, short term mismatches between supply and demand and other factors. At the time of this report, the spot price for iron ore was just over US$77 per tonne, its lowest point in its trailing five-year price history. The longer term downward pressure on iron ore prices has been the result of several factors, including rising production, plentiful supply, high stocks and a slowdown in growth in China.

Market Participants

The past two years have been challenging for intermediate and junior mining companies needing to raise capital, resulting in budget restraints and reduced exploration and development programs. Further, the rising costs of mineral production, caused by higher operating and construction costs, combined with lower metals prices has also forced some senior and well-financed intermediate mining companies to delay or scale back their mineral drilling programs. These conditions have resulted in a short term oversupply of mineral drilling services capacity in the market.

OVERALL PERFORMANCE

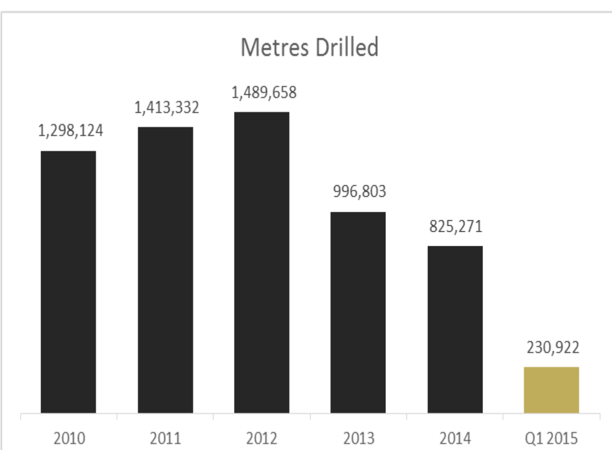
Results of operations for the first quarter ended September 30, 2014

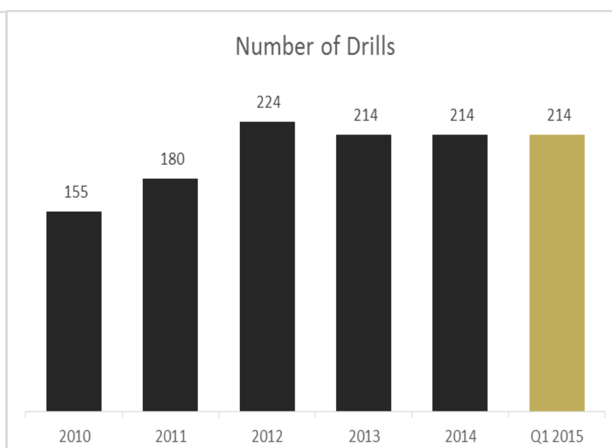
FIRST QUARTER ENDED SEPTEMBER 30 * ($millions)	Fiscal 2015 1st Quarter	Fiscal 2014 1st Quarter	2015 vs. 2014 Variation	Variation (%)
Revenue *	**20.7**	18.5	**2.2**	**12.1**
Gross profit *	**2.0**	2.0	**-**	**-**
Gross margin (%)	**9.5**	10.7		**(1.2)**
Adjusted gross margin (%) (1)	**20.6**	23.5		**(2.9)**
EBITDA * (2)	**2.1**	1.7	**0.4**	**26.0**
Metres drilled	**230,922**	201,503	**29,419**	**14.6**
Net (loss) earnings *	**(0.6)**	(1.1)	**0.6**	**44.3**
Net (loss) earnings per common share - Basic ($)	**(0.02)**	(0.03)	**0.01**	**33.3**
- Diluted ($)	**(0.02)**	(0.03)	**0.01**	**33.3**

(1) Reflects gross margin, excluding depreciation expenses. See "Reconciliation of non-IFRS financial measures"
(2) EBITDA = Earnings before interest, taxes, depreciation and amortization. See "Reconciliation of non-IFRS financial measures"

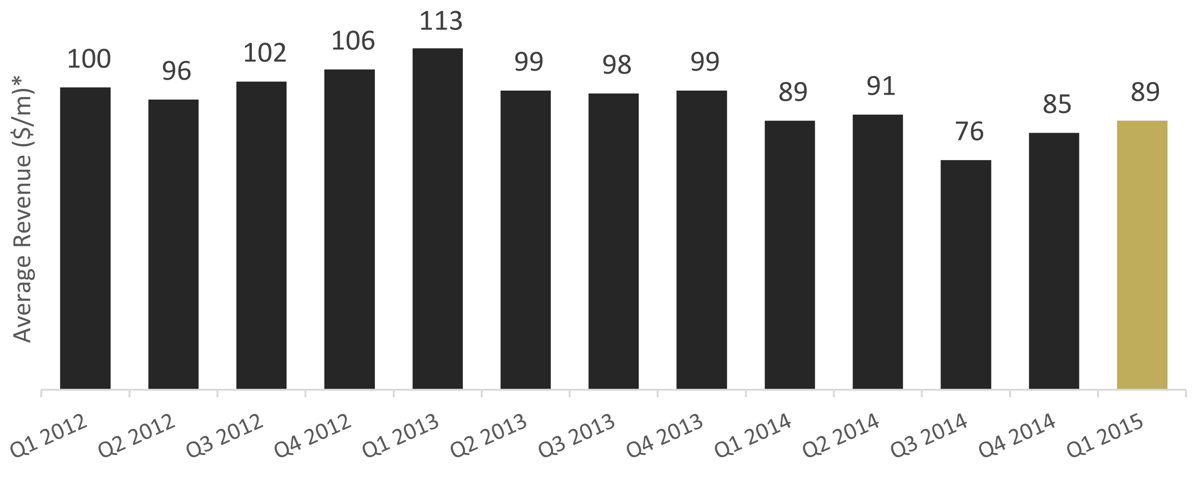
During Q1 FY2015, Orbit Garant drilled 230,922 metres, a 14.6% increase from 201,503 metres drilled during Q1 FY2014. The increase in metres drilled reflects an increase in domestic drilling activity, partially offset by a decline in international drilling activity. The Company's average revenue per metre drilled in Q1 FY2015 was $89.12 compared to $89.31 in Q1 FY2014. Average revenue per metre drilled remains at the lower end of the Company's trailing three-year range, primarily due to current conditions in the mineral industry, which has resulted in pricing pressure from customers, and a significant decline in the Company's specialized drilling activity, which is typically charged at a higher rate.

The size of the Company's drill fleet was stable at 214 drill rigs in Q1 FY2015. During Q1 FY2015, Soudure Royale manufactured one new computerized drill rig for the Company and dismantled one drill rig. Orbit Garant currently has 21 drill rigs outfitted with its computerized monitoring and control technology.





Average Revenue per Metre Drilled



* Figures are rounded to the nearest dollar.

ANALYSIS OF THE FIRST QUARTER OF FISCAL 2015 COMPARED TO FIRST QUARTER OF FISCAL 2014

Contract Revenue

Revenue for the three-month period ended September 30, 2014 ("Q1 FY2015") totaled $20.7 million, an increase of $2.2 million, or 12.1%, from $18.5 million for the quarter ended September 30, 2013 ("Q1 FY2014"). The increase was primarily attributable to an increase in domestic metres drilled, partially offset by decreased international metres drilled.

Canada revenue was $20.5 million in Q1 FY2015, compared to $17.7 million in Q1 FY2014, representing an increase of $2.8 million, or 16.1%. International revenue was $0.2 million in Q1 FY2015, compared to $0.8 million in Q1 FY2014, a decrease of $0.6 million, or 74.9%, due to lower customer demand for international drilling services.

Gross Profit and Margins (see Reconciliation of non-IFRS measures)

Gross profit for Q1 FY2015 was $2.0 million, unchanged from $2.0 million in Q1 FY2014. Gross margin for Q1 FY2015 decreased to 9.5% from 10.7% in the first quarter a year ago. In accordance with IFRS, depreciation expenses totalling $2.3 million are included in cost of contract revenue for Q1 FY2015, compared to $2.4 million in Q1 FY2014. Adjusted gross margin, excluding depreciation expenses, was 20.6% in Q1 FY2015, compared to 23.5% in Q1 FY2014. The decline in gross profit, gross margin and adjusted gross margin is primarily attributable to a reduction in specialized drilling activity, which is typically charged at a higher rate, higher employee-related fixed costs on a lower international revenue base, and start-up costs for a new project in Chile.

Canada's gross profit was $2.6 million, an increase of $0.4 million, from $2.2 million in Q1 FY2014, primarily attributable to an increase in metres drilled.

International's gross loss was $0.6 million, compared to $0.3 million in Q1 FY2014. The increased loss is primarily attributable to costs incurred for the start-up of a new drilling project in Chile, decreased metres drilled and employee-related fixed costs on a lower revenue base.

General and Administrative Expenses

General and administrative (G&A) expenses were $2.7 million (13.0% of revenue) in Q1 FY2015, compared to $3.1 million (16.8 % of revenue) in Q1 FY2014. In accordance with IFRS, depreciation and amortization expenses of $0.4 million are included in G&A expenses for Q1 FY2015, compared to $0.5 million in Q1 FY2014. Adjusted G&A expenses, excluding depreciation and amortization expenses, were $2.3 million (11.0% of revenue) in Q1 FY2015, compared to $2.6 million (14.3% of revenue) in Q1 FY2014.

The decrease in adjusted G&A expenses resulted from the proactive measures taken by the Company to reduce expenses in response to current market conditions, partially offset by additional administrative costs incurred to support the Company's new offices in Chile and Ghana.

EBITDA (see Reconciliation of non-IFRS measures)

EBITDA totalled $2.1 million (10.2 % of revenue) in Q1 FY2015, compared to $1.7 million (9.1% of revenue) in the first quarter a year ago, an increase of $0.4 million, or 26.0%.

Financial Expenses

Interest costs related to long-term debt and bank charges were $0.2 million in Q1 FY2015, unchanged from Q1 FY2014.

Income Tax Recovery

Income tax recovery was $0.2 million for Q1 FY2015, compared to $0.3 million in Q1 FY2014.

Net loss

The Company's net loss for Q1 FY2015 was $0.6 million ($0.02 per share), compared to $1.1 million ($0.03 per share) in Q1 FY2014.

SUMMARY OF QUARTERLY RESULTS

* ($millions)		Fiscal 2015	Fiscal 2014				Fiscal 2013		
		Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31
Contract revenue *		**20.7**	20.2	16.0	16.8	18.5	21.4	23.7	24.2
Gross profit *		**2.0**	1.8	(1.1)	1.1	2.0	2.3	3.4	2.9
Gross margin %		**9.5**	8.4	(6.7)	6.8	10.7	10.6	14.5	11.9
Adjusted gross margin % (1)		**20.6**	20.5	7.9	20.5	23.5	21.9	25.3	22.2
Net earnings (loss) *		**(0.6)**	(0.8)	(2.9)	(1.5)	(1.1)	(27.6)	(0.6)	(0.3)
Net earnings (loss) per common share ($)	- Basic	**(0.02)**	(0.02)	(0.09)	(0.05)	(0.03)	(0.83)	(0.02)	(0.01)
	- Diluted	**(0.02)**	(0.02)	(0.09)	(0.05)	(0.03)	(0.83)	(0.02)	(0.01)

(1) Reflects gross margin, excluding depreciation expenses. See "Reconciliation of non-IFRS financial measures"

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Cash flow from operations, before non-cash operating working capital items, was $2.2 million in Q1 FY2015, compared to $1.9 million in Q1 FY2014.

Investing Activities

Cash used in investing activities totalled $0.5 million in Q1 FY2015, compared to $0.7 million in Q1 FY2014. During Q1 FY2015, $0.5 million was used for the acquisition of property, plant and equipment. This compares with $0.8 million for the acquisition of property, plant and equipment in Q1 FY2014.

Financing Activities

During Q1 FY2015, the Company repaid a net amount of $1.3 million on its $30.0 million revolving credit facility (the "Credit Facility"). In Q1 FY2014 the amount repaid was $2.1 million. As at September 30, 2014, the Company's long-term debt, including the current portion, was $7.2 million, compared to $8.5 million as at June 30, 2014. The Company's debt was incurred to support the acquisition of capital assets, including property, plant and equipment.

As at September 30, 2014, the Company's working capital was $38.6 million, compared to $37.1 million as at June 30, 2014. Orbit Garant's working capital requirements primarily fund inventory acquisition and support accounts receivable.

Orbit Garant believes that it will be able to generate sufficient cash flow to meet its current and future working capital expenditures and debt obligations. The Company's principal capital expenditures are related to the acquisition of drill rigs and property, plant and equipment.

Source of Financing

The Company's primary sources of liquidity are from operations and borrowings under a credit agreement between the Company and National Bank of Canada Inc. (the "Credit Agreement") and equity financing. On May 27, 2011, Orbit Garant obtained a $40.0 million secured, four-year revolving Credit Facility. On May 5, 2014, the Credit Facility was amended to: i) waive certain breaches of the Credit Facility by the Company; ii) reduce the size of the Credit Facility to $30 million; and iii) revise certain of the financial covenants. The Company was subsequently in breach of the fixed charge coverage ratio covenant under the Credit Facility as at June 30, 2014, due to the decline in the Company's EBITDA related to difficult market conditions experienced during fiscal 2014. On August 28, 2014, the Company entered into an amendment to the Credit Facility in order to exclude the balloon capital payment due under the Credit Facility at maturity from the calculation of the fixed charge coverage ratio.

As at the end of September 2014, the Company complied with all covenants in the Credit Agreement. The Company is discussing a potential extension of the Credit Agreement with the lenders along with adjustments of a number of covenants of the Credit Agreement to take into account the current market environment.

The Credit Facility is used to fund working capital requirements and provide further flexibility to the Company's long-term acquisition program. The Credit Facility matures no later than May 27, 2015. As at September 30, 2014, the Company had drawn $7.2 million ($8.5 million as at June 30, 2014).

The Credit Agreement contains covenants that limit the Company's ability to undertake certain actions, including mergers, liquidations, dissolutions and changes of ownership; the incurrence of additional indebtedness; encumbering the Company's assets; guarantees, loans, investments and acquisitions that may be made by the Company; investing in or entering into derivative instruments, paying dividends and/or making other capital distributions to related parties; making capital expenditures; and making certain asset sales.

OUTSTANDING SECURITIES AS AT NOVEMBER 12, 2014

Number of common shares	**33,276,519**
Number of options	**3,729,000**
Fully diluted	**37,015,519**

Since July 1st, 2014, the Company has cancelled 34,500 options.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, («IAS 34»). The IFRS accounting policies that are set out in Note 5 to the Company's annual audited consolidated statements for the year ended June 30, 2014, were consistently applied to all periods presented, except for accounting policies affected by standards and interpretations adopted on July 1, 2014, as described below. These interim condensed consolidated financial statements have not been subject to a review engagement by the Company's external auditors.

The preparation of financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are disclosed in Note 6 in the Company's annual audited consolidated financial statements for the year ended June 30, 2014. They remained unchanged for the three-month period ended September 30, 2014.

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the contingent liabilities, which have been measured at fair value and are presented in Canadian dollars, which is the currency of the primary economic environment in which the Company and its subsidiaries operate («functional currency»). All values are rounded to the nearest thousand dollars, except where otherwise indicated.

These unaudited interim condensed consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's 2014 annual audited consolidated financial statements.

These unaudited interim condensed consolidated financial statements were approved for issue by the Board of Directors of Orbit Garant Drilling Inc. on November 12, 2014.

Principles of Consolidation

The Company's unaudited interim condensed consolidated financial statements incorporate the Company's financial statements and entities controlled by the Company. A subsidiary is an entity controlled by the Company. An investor controls an investee when it 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, independently of its percentage of participation. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when the Company controls another entity.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the unaudited interim condensed consolidated statement of earnings from the effective date of acquisition and up to the effective date of disposal, as appropriate. Intercompany transactions and balances are eliminated on consolidation.

STANDARDS AND INTERPRETATIONS ADOPTED

The following standards and amendments to existing standards have been adopted by the Company on July 1, 2014:

IAS 32 – Financial Instruments - Presentation
IAS 32 is amended to provide clarification on the application of rules to offset financial assets and financial liabilities. The following notions are clarified: legally enforceable right to offset, application of simultaneous realization or settlement, offsetting a guaranteed amount and the unit of accounting for application of the offsetting obligations.

IAS 36 – Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
IAS 36 is amended to address the disclosure information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.

IFRIC 21 – Levies
IFRIC Interpretation 21 considers how an entity should account for levies imposed by governments, other than income taxes, in its interim condensed consolidated financial statements.

Annual improvements to IFRS (2010-2012 Cycle), which include among others:

Amendments to IFRS 2, *Share-based Payments*, relate to the definitions of «vesting condition» and «market condition» and add definitions for «performance condition» and «service condition».

Amendments to IFRS 3, *Business Combinations,* clarify that contingent consideration classified as an asset or a liability should be measured at fair value on each reporting date, irrespective of whether the contingent consideration is a financial instrument or a non-financial asset or liability.

Amendments to IFRS 8, *Operating Segments*, require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments and clarity that a reconciliation of the total of the reportable segments' assets and the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision maker.

Amendments to IFRS 13, *Fair Value Measurement*, clarify that the issuance of IFRS 13 did not remove the ability to measure current receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

Annual improvements to IFRS (2011-2013 Cycle), which include among others:

Amendments to IFRS 3, *Business Combinations,* clarify that the scope of IFRS 3 does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

Amendments to IFRS 13, *Fair Value Measurement*, clarify that the scope of the portfolio exception for measuring the fair value of a group of financial liabilities on a net basis includes all contracts that are within the scope of IAS 39, Financial Instruments: Recognition and Measurement, even if those contracts do not meet the definition of financial assets or financial liabilities.

The standards and amendments listed above did not have any impact on the Company's interim condensed consolidated financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company has not early adopted the following new accounting standards and accordingly, the adoption impact of these new standards on the consolidated financial statements, have not yet been determined:

IFRS 9 – Financial Instruments
IFRS 9 simplifies the measurement and classification for financial assets by reducing the number of measurement categories and removing complex rule-driven embedded derivative guidance in IAS 39, Financial Instruments: Recognition and Measurement. The new standard also provides for a fair value option in the designation of non-derivative financial instruments and its related classification and measurement. IFRS 9 is effective from periods beginning January 1, 2018, with early adoption permitted.

IFRS 15 – Revenue from Contracts with Customers
IFRS 15 specifies how and when to recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, *Revenue*, IAS 11, *Construction Contracts*, and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is effective from periods beginning January 1, 2017, with early adoption permitted.

IAS 16 – Property, Plant and Equipment
IAS 16 prohibits entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 16 are effective from periods beginning January 1, 2016, with early adoption permitted.

IAS 38 – Intangible assets
IAS 38 introduces a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset, except in two limited circumstances. The amendments to IAS 38 are effective from periods beginning January 1, 2016, with early adoption permitted.

The Company is currently evaluating the impacts of adopting these standards on its consolidated financial statements.

RECONCILIATION OF NON - IFRS FINANCIAL MEASURES

Financial data has been prepared in conformity with IFRS. However, certain measures used in this discussion and analysis do not have any standardized meaning under IFRS and could be calculated differently by other companies. The Company believes that certain non-IFRS financial measures, when presented in conjunction with comparable IFRS financial measures, are useful to investors and other readers because the information is an appropriate measure to evaluate the Company's operating performance. Internally, the Company uses this non-IFRS financial information as an indicator of business performance. These measures are provided for information purposes, in addition to, and not as a substitute for, measures of financial performance prepared in accordance with IFRS.

EBITDA:	Earnings (loss) before interest, taxes, depreciation and amortization.
Adjusted gross margin:	Contract revenue less operating costs. Operating expenses comprise material and service expenses, personnel expenses, other operating expenses, excluding depreciation.

EBITDA

Reconciliation of EBITDA

(unaudited) (in millions of dollars)	3 months ended September 30, 2014	3 months ended September 30, 2013
Net earnings (loss) for the period	**(0.6)**	(1.1)
Finance costs	**0.2**	0.2
Income tax expense (recovery)	**(0.2)**	(0.3)
Depreciation and amortization	**2.7**	2.9
EBITDA	**2.1**	1.7

Adjusted Gross Margin

Although adjusted gross margin is not a recognized financial measure defined by IFRS, it is a widely recognized measure used in the mineral drilling industry. As a result, Management believes it provides a useful and comparable benchmark for evaluating the Company's performance.

(unaudited) (in millions of dollars)	3 months ended September 30, 2014	3 months ended September 30, 2013
Contract revenue	**20.7**	18.5
Cost of contract revenue (including depreciation)	**18.7**	16.6
Less depreciation	**(2.3)**	(2.4)
Direct costs	**16.4**	14.2
Adjusted gross profit	**4.3**	4.3
Adjusted gross margin (%) (1)	**20.6**	23.5

(1) Adjusted gross profit, divided by Contract revenue X 100

RISK FACTORS

The following are certain factors relating to the Company's business and the industry within which it operates. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and should be read in conjunction with, the detailed information appearing elsewhere in this report and in the Company's Annual Information Form dated September 26, 2014. These risks and uncertainties are not the only ones relevant to the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the business, financial condition, liquidity and results of operations of the Company, could be affected materially and adversely.

Risk Related to Structure and Common Shares

Equity Market Risks

There is a risk associated with any investment in shares. The market price of securities such as the Common Shares of the Company are affected by numerous factors including, but not limited to, general market conditions, actual or anticipated fluctuations in the Company's results of operations, changes in estimates of future results of operations by the Company or securities analysts, risks identified in this section and other factors. In addition, the financial markets have experienced significant price and volume fluctuations that have sometimes been unrelated to the operating performance of the issuers or the industries in which they operate. Consequently, the trading price of the Common Shares may fluctuate.

Influence of Existing Shareholders

As of November 12, 2014, Pierre Alexandre, Vice-Chairman and Vice-President of Business Development of the Company, holds or controls, directly or indirectly, approximately 28% of Orbit Garant's outstanding Common Shares. As a result, this shareholder has the ability to influence Orbit Garant's strategic direction and policies, including any merger, consolidation or sale of all or substantially all of its assets, and the election and composition of Orbit Garant's Board of Directors. The foregoing ability to affect the control and direction of Orbit Garant could reduce its attractiveness as a target for potential takeover bids and business combinations, and correspondingly affect its share price.

Future Sales of Common Shares by the Company's Existing Shareholders

Certain shareholders, including Pierre Alexandre, hold or control significant blocks of shares of the Company. The decision of any of these shareholders to sell a substantial number of Common Shares in the public market could result in a material imbalance in demand for the Company's shares and therefore a decline in the market price of the Common Shares. In addition, the perception among the public that such sales may occur could also result in a reduction in the market price of the Common Shares.

Dilution

Orbit Garant may raise additional funds in the future by issuing equity securities. Holders of Common Shares will have no pre-emptive rights in connection with such further issuances. Additional Common Shares may be issued by Orbit Garant in connection with the exercise of options granted. Such additional equity issuances could, depending on the price at which such securities are issued, substantially dilute the interests of the holders of Common Shares.

OUTLOOK

The international mining industry has now exhibited cost restraint with mineral exploration and development programs for a prolonged period. Senior and intermediate mining companies began scaling back their drilling programs in 2013 and this trend has continued in 2014. At the same time, junior mining companies have significantly cut their exploration activities due to a lack of capital. These adverse market conditions have created a short-term oversupply of drilling services capacity in the market, which in turn has created downward pricing pressure. Management expects that these market conditions will continue to impact the contract drilling industry and Orbit Garant's utilization rates and gross margins in the near term.

Despite these current market challenges, Management believes the longer-term outlook for the mining industry is positive. Global demand for ferrous and non-ferrous metals combined with depleting reserves and resources, will eventually lead to increased exploration and development activities by mining companies. Increased demand for minerals from developing countries, such as Brazil, Russia, India and China, will provide the greatest impetus for growth. China, the world's second largest economy, has a significant impact on global demand and pricing for ferrous and non-ferrous metals. Entering fiscal 2015, Management remains focused on maximizing stakeholder value principally by controlling costs, optimizing drill rig utilization, increasing productivity, continuing to focus on innovation, retaining key personnel and maintaining Orbit Garant's strong health and safety standards. Management believes the Company's proprietary computerized monitoring and control drilling technology will increasingly be an important contributor in achieving these goals by reducing both labour and consumable drilling costs, enhancing driller productivity rates and improving safety. In deployments on customer projects to date, Orbit Garant has achieved more that 25 percent greater productivity compared to that achieved using conventional drill rigs. The Company currently has 21 drill rigs featuring its computerized monitoring and control technology. Orbit Garant's customers have responded positively to the improved performance and potential of the new drill rigs, which has led to renewals of underground drilling contracts for longer terms.

Orbit Garant recently expanded its international market presence with new offices in Chile and Ghana, and is now better positioned to seize international market opportunities and further strengthen customer relationships. Orbit Garant recently secured its first drilling contract in Chile, which is scheduled to commence in the second quarter of fiscal 2015. Orbit Garant's capital expenditure budget for fiscal 2015 is $7.0 million, up from $3.4 million last year, reflecting an increased number of attractive business development initiatives that the Company is currently pursuing. Orbit Garant will continue to monitor market conditions closely and manage its staff and inventory levels, capital expenditures and balance sheet accordingly. With its strong balance sheet, the Company remains committed to pursuing value-enhancing growth opportunities in Canada and internationally.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting ("ICFR") or ensuring they are designed in accordance with ICFR through supervision. The Company's ICFR are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparation of financial statements for external purposes in accordance with IFRS.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company, have been detected. Therefore, no matter how well designed, ICFR have inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

For the three months ended September 30, 2014, there have been no significant changes to the ICFR and no change in the assessment of the effectiveness of the Company's ICFR. Accordingly, the CEO and CFO have concluded that the design and operation were effective at a reasonable assurance level as at the end of the period covered by this report.