MANAGEMENT'S DISCUSSION AND ANALYSIS
SECOND QUARTER FISCAL 2010
ENDED DECEMBER 31, 2009

Management's 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 comparative unaudited interim consolidated financial statements for the three months and six months ended December 31, 2009 as compared to 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, 2009.

The unaudited interim consolidated financial statements were prepared using accounting policies and methods consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended June 30, 2009, except for the adoption of new accounting policies as disclosed hereafter in "Changes in Accounting Policies". The interim consolidated financial statements conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements, with the exception of certain note disclosures. All amounts in this MD&A are in Canadian dollars, except where otherwise noted.

In this discussion and analysis, 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 partnership, Orbit Garant Drilling, a general partnership and its wholly owned subsidiaries.

This MD&A is dated February 10, 2010. Disclosure contained in this document is current to that date unless otherwise stated.

Additional information relating to the Company, including the Company's Annual Information Form for the most recently completed financial 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. Risks that could cause the Company's actual results to materially differ from its current expectations are discussed in this MD&A.

SECOND QUARTER FISCAL 2010 HIGHLIGHTS

- Revenue was $23.7 million, compared to $26.1 million in the comparable quarter of fiscal 2009, a decrease of 9.4%
- Completed 287,861 meters of drilling in the second quarter, up 2.5% from 280,760 in Q2 of fiscal 2009
- An expanding fleet of 140 drill rigs, including 1 new drill in the second quarter
- Increased net cash position to $9.9 million in Q2 fiscal 2010 from $3.4 million as at September 30, 2009*
- Working capital increased to $38.1 million from $35.9 million at September 30, 2009.

**Net cash is calculated as cash minus current portion of long term debt and long term debt*

CORPORATE OVERVIEW

From its head office in Val-d'Or, Quebec, Orbit Garant manages a fleet of 140 drilling rigs that are used to service the mining industry in Canada and internationally. The Company has a low cost infrastructure and is vertically integrated with Soudure Royale manufacturing drill rigs for the Company and third parties (and so providing a competitive advantage in the provision of drilling services). The Company focuses on "Specialized Drilling", which refers to those drilling projects that are completed in remote locations or, in the opinion of management, because of the scope, complexity or technical nature of the work, cannot be completed by small conventional drilling companies.

The Company has three operating segments: Drilling Canada (including domestic surface drilling and underground drilling), Drilling International and Manufacturing Canada (Soudure Royale).

Specialized drilling services, which generate a higher gross margin than typical drilling services, account for approximately 51% of the Company's total revenue.

The Company provides both surface and underground drilling services, which account for approximately 49% and 51% of the Company's revenues respectively.

Approximately 70% of the Company's revenues are generated by gold related operations, while approximately 30% are generated by base metal related and other operations.

Orbit Garant operates in stable jurisdictions, with approximately 90% of the Company's revenues generated in Canada. The Company also operates in the USA, Mexico, Suriname and Guyana.

Approximately 65% of the Company's customers are major and intermediate-sized mining companies, with which the Company has contracts of one to three years in length.

BUSINESS STRATEGY

The Company's goal is to be one of the largest Canadian-based drilling companies, providing both underground and surface drilling for all stages of the minerals business including exploration, development and production by the following business strategy:

- Focusing primarily on major and well financed intermediate mining and exploration companies operating in stable jurisdictions;
- Providing conventional and specialized drilling services;
- Manufacturing drills and equipment to fit the needs of customers;

- Providing training courses for the Company's personnel, to continuously improve labour efficiency and ensure the availability of a skilled labour force;
- Maintaining a high level of safety standards in the work environment, and promoting protection of the environment;
- Establishing and maintaining long-term relationships with customers; and
- Cross-selling drilling services to existing clients.

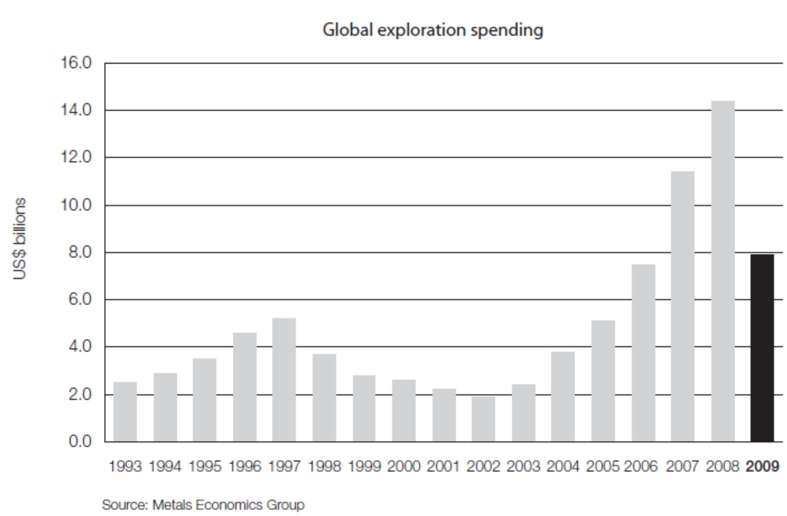
INDUSTRY OVERVIEW

Following the global economic downturn, the past nine months have been characterized by a great deal of economic uncertainty. In early 2009, governments around the world began committing to unparalleled fiscal and monetary stimulus packages, which contributed to a rebound in global equity markets, commodity prices, and credit markets. Although these programs have also been successful in generating improvement in GDP levels, advanced economies continue to face high unemployment rates and increasing amounts of debt. Emerging and developing countries have been stronger, driven by increased domestic demand that is facilitating a faster pace of recovery.

With the improvements in both the global economy and commodity prices, the mining and minerals industry also improved significantly from the low levels experienced in early 2009. Base metal prices continue to improve, attributable to supply constraints, heightened investor confidence and an improved overall market sentiment. Similarly, gold continues to perform well, while the US dollar outlook continues to prompt longer-term inflation concerns.

For many large and intermediate-sized mining companies, the steep contraction in commodity prices that began in the third quarter of 2008 resulted in a reduction in demand, forcing many of them to raise capital and sell assets in order to bolster their cash positions. Junior companies were forced to dramatically decrease exploration activity and spending, which had a profound impact on the drilling industry and demand for mineral drilling services. As a result 2009 global exploration spending declined significantly.

Despite these industry challenges, Orbit Garant was able to address market constraints in 2009, largely attributable to the company's focus on major and intermediate companies, as well as its orientation to gold. Despite the improved level of commodity prices, Orbit Garant management expects mining companies to remain disciplined in terms of spending, with only modest increases in exploration spending over the near term, which will continue to impact demand and pricing in the drilling industry in the coming months.



Base Metals

Following the significant decline in base metals prices experienced during the global economic downturn, prices have rebounded in line with improvements in financial market conditions. The increases in base metal prices can be attributed to massive stimulus spending, improvement in the manufacturing and housing sectors and strong signs of economic recovery, particularly in emerging markets. The trends towards improved demand and base metal prices, particularly for copper, are expected to continue. While there is concern in some quarters with respect to future Chinese demand, strengthening global economic activity and ongoing infrastructure spending are expected to help support the positive price momentum.

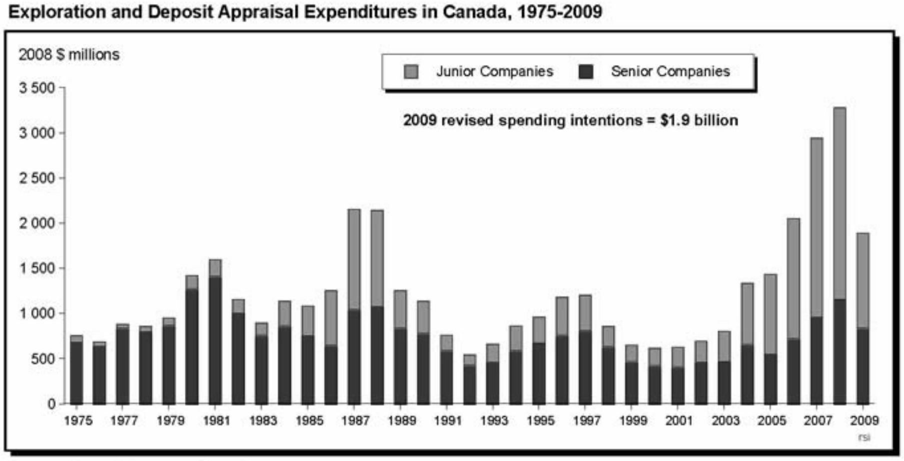
Gold

The price of gold has remained strong throughout the global recession, primarily due to its safe-haven qualities as a hedge against inflation and the weak US dollar. Gold's fundamentals remain positive: investment demand for gold is strong as investors look to diversify their portfolios; central banks continue to buy gold as emerging economies diversify their reserve holdings; concerns remain about long-term US inflation, attributable to money supply; and mine supply issues also remain, reflecting the lack of new discoveries. While an improved US economic situation could prove to be a negative for gold prices, analysts generally expect prices to remain stable in the short-term and the medium- to long-term outlook remains positive. Orbit Garant's exposure to the gold market continues to provide a positive competitive advantage.

Market Participants

The financial crisis and significant decline in commodity prices forced mining companies to make significant cuts to exploration and spending budgets in 2009. While the majority of senior and intermediate mining companies remained highly liquid and able to continue with most of their planned programs, the limited access to capital and equity markets forced the junior companies to cut exploration spending dramatically. According to Metals Economics Group (MEG), estimated exploration spending for 2009 decreased from a record high of $13.2 billion in 2008 to $7.7 in 2009, a reduction of 42%. The global economic crisis and declining commodity prices that then prevailed had a significant negative impact on the entire mining industry, including the mineral drilling industry. Drilling companies were faced with decreased demand and pricing pressure across the industry.

Exploration and Deposit Appraisal Expenditures in Canada, 1975-2009



Source: Natural Resources Canada
Note: Up to 1997, data include only field and overhead expenditures.

However, as the year progressed, access to capital improved. MEG reported that, in the first nine months of 2009, the junior explorers raised more than $4.7 billion in exploration-related equity financings on exchanges around the world. In Canada alone, gold miners raised over $11 billion in the year. As a result, if recent metals prices and financing trends persist, global exploration spending will be reinvigorated. Nevertheless, the general uncertainty over the sustainability of the economic recovery, combined with fears of market volatility, may restrain any significant increase to overall exploration budgets in the near term.

Outlook

Behind the momentum of the slow economic recovery, the global economy remains fragile and there continues to be significant uncertainty as to the pace and sustainability of the recovery, particularly in advanced economies. The recent improvement in metals prices has been primarily driven by strong Chinese demand in addition to increases in infrastructure spending, North American domestic consumption and the return of speculative demand from investors. Other key sectors for base metals, such as the automotive and durable goods sectors, are heavily reliant on consumer spending. Continued high unemployment rates could pose challenges and hold back the pace of growth.
In the long-run, global base metals demand will be increasingly correlated with growth in developing economies and, as the recession has slowed base metals supply growth, the ensuing supply/demand imbalances will benefit the mining industry as demand fully recovers. Similarly, the longer term outlook for gold is also positive as the fundamental drivers behind gold remain firmly in place over the longer term.

As the global economy continues to slowly recover, the long-term fundamentals of the mining industry are positive for Orbit Garant, and the company remains dedicated to its proven strategy. Orbit Garant is well positioned through its competitive advantages: a top-tier customer base, vertical integration, low-cost operations and a focus on higher margin, specialized drilling services. The company's management team remains committed to maintaining its strong market position and continues to explore opportunities for growth.

OVERALL PERFORMANCE

RESULTS OF OPERATION – SECOND QUARTER ENDED DECEMBER 31, 2009

SECOND QUARTER ENDED DECEMBER 31, 2009 ($ millions)		Fiscal 2010 Quarter 2	Fiscal 2009 Quarter 2	2010 vs. 2009 Variation $	Variation %
Revenue * ($)		23.7	26.1	(2.4)	(9.4)
Gross Profit * ($)		7.6	8.6	(1.0)	(12.5)
Gross Margin (%)		32.0	33.1		
Normalized EBITDA * ($) (1)		6.0	6.9	(0.9)	(12.5)
Meters drilled		287,861	280,760	7,101	2.5
Net Earnings * ($)		2.4	3.2	(0.8)	(25.2)
Net earnings per common shares	- Basic ($)	0.07	0.10	(0.03)	
	- Diluted ($)	0.07	0.10	(0.03)	

(1) Normalized EBITDA is not a recognized measure under Canadian generally accepted accounting principles and does not have a standardized meaning prescribed by GAAP. Therefore, normalized EBITDA may not be comparable to similar measures presented by other issuers. See "Supplemental Disclosure"

In the three-months ended December 31, 2009, Orbit Garant generated net earnings of $2.4 million compared to $3.2 million, a decrease of $0.8 million or 25.2%. The decrease in net earnings is attributable to a reduction in the price per meter drilled, a reflection of challenging market conditions, along with costs associated with the acquisition of capital and intangible assets.

The Company was able to improve its balance sheet, increasing its net cash position to $9.9 million in the second quarter of 2010 compared to $3.4 million as at September 30, 2009.

THREE MONTHS ENDED DECEMBER 31, 2009 COMPARED TO THREE MONTHS ENDED DECEMBER 31, 2008

CONTRACT REVENUE	Three months ended December 31,2009			Three months ended December 31, 2008		
Segmented Information * (million)	Revenue	Gross Profit	Gross Margin %	Revenue	Gross Profit	Gross Margin %
Drilling Canada * ($)	21.2	7.0	32.9	24.5	8.0	32.8
Drilling International * ($)	2.4	0.5	22.9	1.2	0.4	37.8
Manufacturing Canada * ($)	0.1	0.1	84.3	0.4	0.2	38.8
	23.7	7.6	32.0	26.1	8.6	33.1

During the three month period ended December 31, 2009, the Company recorded contract revenue of $23.7 million compared to $ 26.1 million in fiscal 2009, representing a decrease of $2.4 million or 9.4%. The decrease is a result of the competitive pricing environment and a change in business mix, specifically a decrease in specialized drilling in northern operations, as scheduled by customers, activities that resumed in January 2010.

Domestic surface drilling contract revenue decreased to $9.1 million in the second quarter of fiscal 2010 compared to $12.2 million in fiscal 2009, representing a decrease of 25.6%.

Underground drilling contract revenue decreased from $12.3 million in the second quarter of 2009 to $12.1 million in the second quarter of 2010, a reduction of 0.9%.

International drilling contract revenue increased to $2.4 million in the second quarter of 2010 from $1.2 million for the same period in fiscal 2009. The increase of 92.6% can be attributed to initiating new contracts in the quarter.

Manufacturing Canada generated negligible revenue for the second quarter of 2010 compared to $0.4 million for fiscal 2009. During the second quarter of 2010, there was no demand from third parties to manufacture drills, a direct result of the economic climate at the time. Through the Company's subsidiary, Soudure Royale, Orbit Garant maintains the capacity to build new drills, and also utilizes Soudure Royale to build supplies and support equipment.

GROSS MARGIN

Overall gross profit in the second quarter of fiscal 2010 was $7.6 million, which includes a positive adjustment of $0.8 million from the Commission de la Santé et la Sécurité au Travail (CSST) for a good safety record, compared to $8.6 million in the comparable quarter of 2009, a decrease of 12.5%.

Gross margin for the second quarter of 2010 was 32% compared to 33.1% for the comparable period in fiscal 2009.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses declined to $1.6 million in the second quarter of 2010, compared to $1.9 million in the comparable period in 2009. General and administrative expenses represented 6.8% of sales, compared to 7.2% in the previous year.

AMORTIZATION

Total amortization was $2.4 million in the second quarter of fiscal 2010 compared to $2.0 million in the comparable quarter of fiscal 2009. The increase is a result of the acquisition of Forage+ as well as new drills and equipment that have been added to operations.

INCOME TAXES

Income taxes were $1.2 million in the second quarter of fiscal 2010 compared to $1.5 million for the comparable period of 2009.

NET EARNINGS

Net earnings totaled $2.4 million, or $0.07 per share ($0.07 per share diluted), compared to $3.2 million or 0.10 per share ($0.10 per share diluted) in the 2009 period.

NORMALIZED EBITDA (see SUPPLEMENTAL DISCLOSURE)

Normalized EBITDA in the second quarter of fiscal 2010 was $6.0 million compared to $6.9 million in the same period the prior year, a decrease of $0.9 million or 12.5%. The normalized EBITDA in the second quarter of fiscal 2010 represents 25.4% of sales, compared to 26.3% in the previous year.

RESULTS OF OPERATIONS – SIX MONTHS ENDED DECEMBER 31, 2009

CONTRACT REVENUES

Segmented Information * ($ millions)	Six months ended December 31					
	2009			2008		
	Revenue	Gross Profit	Gross Margin %	Revenue	Gross Profit	Gross Margin %
Drilling Canada * ($)	43.9	14.3	32.5	46,1	15,1	32.6
Drilling International * ($)	4.1	1.2	30.2	2,4	0.8	32.8
Manufacturing Canada * ($)	0.1	0.1	77.1	0.7	0.3	48.7
	48.1	15.6	32.4	49.2	16.2	32.9

Revenues totalled $48.1 million for the six months period ended December 31, 2009 a decrease of $1.1 million or 2.4% from $49.2 million during the comparable period last year.

Drilling Canada revenues were $43.9 million, a decrease of $2.3 million or 5% compared to $46.1 million for the same period last year.

Drilling International revenues were $4.1 million compared to $2.4 million in the comparable period, an increase of $1.7 million, or 69.7%.

Manufacturing Canada revenues were $0.1 million down by $0.5 million from the comparable period attributed to the decrease in demand for new drills.

GROSS MARGIN

Overall gross profit for the first 6 months of fiscal 2010 was $15.6 million, which includes a positive adjustment of $0.8 million from the CSST, a decrease of $0.6 million from $16.2 million in the comparable period of 2009, or 3.7%.

Gross margin for the first half of the 2010 fiscal year was 32.4% compared to 32.9% for the corresponding period last year.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were $3.4 million in the six month period ended December 31, 2009 compared to $3.5 million for the same period last year.

AMORTIZATION

Amortization of capital assets was $2.5 million in the first half of fiscal 2010 compared to $1.9 million for the corresponding period in fiscal 2009 as a result of investment in equipment and the acquisition of Forage+.

Amortization of intangible assets was $2.2 million for the first six months of 2010 compared to $2.0 million for the first six months of 2009 as a result of the acquisition of Forage+.

FINANCIAL EXPENSES

Interest costs related to long-term debt and bank charges were $0.1 million and $0.1 million respectively in the first half of fiscal 2010 compared to $0.2 million and $0.1 million in the comparable period fiscal 2009. The reduction is related to the repayment of debt during Q1 2010.

INCOME TAXES

Income taxes were $2.4 million in the first six months of fiscal 2010 compared to $2.9 million for the same period last year.

NET EARNINGS

Net earnings were $4.9 million or $0.15 per share ($0.15 per share diluted) compared to $5.9 million or $0.18 per share ($0.18 per share diluted)

SUMMARY OF QUARTERLY RESULTS

* (million)	Fiscal 2010		Fiscal 2009				Fiscal 2008	
	Dec. 31 2009	Sept. 30 2009	Jun. 30 2009	Mar. 31 2009	Dec. 31 2008	Sept. 30 2008	Jun. 30 2008	Mar. 31 2008
Contract Revenue ($)	23.7	24.4	28.3	27.7	26.1	23.1	24.6	22.1
Gross profit ($)	7.6	8.0	10.7	9.2	8.6	7.5	8.7	7.5
Gross margin %	32.0	32.8	37.9	33.2	33.1	32.5	35.4	34.1
Net Earnings ($)	2.4	2.5	3.6	3.2	3.2	2.6	1.4	2.8
Normalized EBITDA (1) ($)	6.0	6.2	7.8	7.3	6.9	6.0	6.6	6.5
Net earnings per common shares ($) - basic	0.07	0.08	0.11	0.10	0.10	0.08	0.06	0.11
- diluted	0.07	0.08	0.10	0.10	0.10	0.08	0.05	0.11

(1) Normalized EBITDA is not a recognized measure under Canadian generally accepted accounting principles and does not have a standardized meaning prescribed by GAAP. Therefore, normalized EBITDA may not be comparable to similar measures presented by other issuers. See "Supplemental Disclosure"

The variation of revenue generated from the first quarter 2010 to the second quarter in the same year is related to the competitive market landscape and a change in business mix, specifically a decrease in specialized drilling in northern operations, as scheduled by customers, activities that resumed in January 2010.

Despite the challenging economic environment, Orbit Garant continues to add additional drill rigs to an expanding fleet totaling 140 drills at December 31, 2009.

LIQUIDITY AND CAPITAL RESOURCES

OPERATING ACTIVITIES

Cash flow from operations before non cash operating working capital items was $4.5 million for the second quarter of fiscal 2010, compared to $5.1 million in the second quarter of fiscal 2009.

INVESTING ACTIVITIES

During the three months ended December 31 2009, $2.3 million was used for acquisition of capital assets. This compares with $1.0 million for the acquisition of capital assets and $2.9 million for the acquisition of Forage+.

FINANCING ACTIVITIES

Cash flow generated from financing activities was $0.1 million for the three months ended December 31, 2009. During the same period of the previous year, the cash flow from financing activities showed inflow of $5.4 million, which was used to finance the acquisition of new drills and equipment and the acquisition of Forage+.

During the second quarter of 2010, the Company renewed its credit facility.

The Company believes that it will be able to generate sufficient cash flow to meet its current and future working capital, capital expenditure and debt obligations. The Company's principal capital expenditures are for the acquisition of drilling rigs and ground equipment.

SOURCE OF FINANCING

The Company's primary sources of liquidity are from operations and borrowings under a re-amended and restated credit agreement between the Company and National Bank of Canada Inc. dated December 1, 2009 (the "Credit Agreement") and also equity financing.

The Company has historically used cash from operations to maintain its existing drills and fund the building or purchase of new rigs to expand capacity and for other working capital requirements. Pursuant to the Credit Agreement, the Company currently has a 364-day revolving operating facility of up to $7 million to manage working capital requirements throughout the year.

Under the terms of the Credit Agreement, the Company also has a revolving, reducing four year long-term debt facility of a maximum amount of $20,000,000 and a revolving, reducing four year term capital expenditure facility for a maximum amount of $6,000,000.

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 on 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 OF FEBRUARY 10, 2009

Number of shares	32,738,684
Number of options	1,973,000
Fully diluted	34,711,684

During the second quarter of fiscal 2009, the Company issued 300,000 options at an exercise price of $4.00.

EFFECT OF EXCHANGE RATE

The Company's main exposure to exchange rate fluctuations arose from certain purchases denominated in U.S. dollars which are offset in part by the revenue earned in U.S. dollars related primarily to the surface reverse circulation drilling business. Since less than 5% of the Company's revenue is generated in U.S. dollars, fluctuations in the U.S. dollar against the Canadian dollar do not have a significant impact on the financial results of the Company.

GOODWILL

Goodwill representing the excess of purchase price over fair value of the net identifiable assets of acquired businesses is tested for impairment annually or more frequently when an event or circumstance occurs that indicates that goodwill might be impaired. When the carrying amount exceeds the fair value, an impairment loss is recognized in the statement of earnings in an amount equal to the excess. We conducted our annual goodwill impairment test on June 30, 2009 and concluded that the fair value exceeded the carrying amount. We also concluded that an interim test for impairment was not appropriate since there is no event or change in circumstance that indicates that goodwill might be impaired.

CHANGE IN ACCOUNTING POLICIES

a) Goodwill and Intangible Assets

   Effective July 1, 2009, the Company retroactively adopted the new CICA Handbook Section 3064, Goodwill and Intangible Assets, which establishes standards for recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and intangible assets. Standards concerning goodwill are unchanged from the standards included in the previous CICA Handbook Section 3062. The adoption of this new standard did not have a material impact on the Company's consolidated financial statements.

FUTURE ACCOUNTING POLICIES

International Financial Reporting Standards:

In 2006, the Canadian Accounting Standards Board (AcSB) published a new strategic plan that will significantly affect the financial reporting requirements applicable to Canadian companies. The AcSB strategic plan outlines the convergence of Canadian accounting standards with international standards (IFRS) over an anticipated five-year transition period. In February 2008, the AcSB announced that 2011 would be the changeover date for public entities to move from Canadian GAAP to IFRS. Consequently, the company's transition date of July 1, 2011 will require the restatement for comparative purposes of amounts reported by the company for its year ending June 30, 2011 and the openning balance sheet as at July 1, 2010. The Company is currently in the process of developing a conversion implementation plan and assessing the impacts of the conversion on the consolidated financial statements and disclosures of the company.

RISK FACTORS

Risks related to the Company's business and the industry are substantially unchanged and are listed in the annual information form and in the annual report dated September 21, 2009. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently 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 materially adversely affected.

OUTLOOK

Although recent market conditions have created a challenging operating environment for the drilling industry, Orbit Garant is noticing improvements in demand from major and intermediate customers, as well as select junior companies. This improvement is attributable to the continued increase in the price of commodities and the gradual recovery in global economy.

The Company remains focused on its intermediate and senior company customers that provide greater revenue stability, as well as actively pursuing business opportunities with well financed junior companies.

Orbit Garant's management anticipates demand for drilling services to improve as the prices of gold and base metals continue to improve. The Company will add 10 new drills in the 3rd and 4th quarter of fiscal 2010 in order to respond to committed customer demand.

The Company continues to focus on improving its productivity and efficiency by providing additional training to its personnel and by continuously improving its operating processes.

The drilling services market remains fragmented and Orbit Garant continues to search for accretive acquisition transactions that would be beneficial to its shareholders.

Orbit Garant's strong market position and dedication to proven strategies are fundamental to the Company's continued success and position it well for the next market upswing.

SUPPLEMENTAL DISCLOSURE

This report contains references to EBITDA (earnings before interest, taxes, depreciation and amortization) and normalized EBITDA (EBITDA adjusted for management fees, integration fees and extraordinary transaction fees, which management believes facilitates the comparison of historical periods). Management believes that EBITDA and normalized EBITDA are useful supplemental measures of operating performance prior to debt service, capital expenditures and income taxes. However, EBITDA and normalized EBITDA are not recognized earnings measures under Canadian generally accepted accounting principles ("GAAP") and do not have a standardized meaning prescribed by GAAP. Therefore, EBITDA and normalized EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA should not be construed as an alternative to net income or loss (which are determined in accordance with GAAP) as an indicator of the performance of the Company or as a measure of liquidity and cash flows. The Company's method of calculating EBITDA and normalized EBITDA may differ materially from the methods used by other public companies and accordingly, may not be comparable to similarly titled measures used by other public companies.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management of the Company is responsible for designing internal controls over financial reporting for the Company as defined under multilateral Instrument 52-109 issued by the Canadian Securities Administrators. Management has designed such internal controls over financial reporting, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with GAAP.

There has been no change in the Company's internal controls over financial reporting that occurred during the most recently completed interim period that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting.