FORAGE ORBIT GARANT DRILLING

MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD QUARTER FISCAL 2013

(Three and nine-month periods ended March 31, 2013)

THIRD QUARTER ENDED MARCH 31, 2013

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 comparative unaudited interim condensed consolidated financial statements for the three and nine-month periods ended March 31, 2013 as compared with the corresponding periods 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, 2012.

The Company's third quarter of fiscal 2013 unaudited interim period 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 May 14, 2013. 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.

THIRD QUARTER FISCAL 2013 ("Q3 FY2013") SUMMARY

- Revenue was $23.7 million in Q3 FY2013, compared to $41.7 million in the third quarter fiscal 2012 ("Q3 FY2012")
- 239,960 metres drilled, compared to 396,525 metres in Q3 FY2012
- Adjusted gross margin (excluding amortization expense) of 25.3%, compared to 29.4% in Q3 FY2012
- EBITDA decreased to $2.9 million from $8.3 million in Q3 FY2012
- Net loss of $0.6 million, or $ 0.02 per share (basic and diluted), compared to net earnings of $3.5 million, or $0.10 per share (basic and diluted) in Q3 FY2012

Difficult market conditions continue to prevail in the mineral drilling industry, largely due to junior exploration companies, operating both in Canada and abroad, having difficulty in raising capital to fund their ongoing exploration activities. Further, some intermediate and senior mining companies have delayed new project start-ups or decreased their drilling activities on existing projects, as they look to contain costs. Orbit Garant has reduced its general and administrative expenses, number of employees and 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 more than 600 employees, manages a fleet of 224 drilling rigs that provide surface and underground drilling services to the mining and exploration industry in Canada and internationally.

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). 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 small conventional drilling companies.

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

For the nine-month period ended March 31, 2013:

- Specialized drilling services, which typically generate a higher gross margin than conventional drilling services, accounted for approximately 59% of the Company's total revenue.

- Approximately 84% of the Company's revenues were generated by gold related operations, and approximately 16% were generated by base metal related and other operations.

- Surface and underground drilling services accounted for approximately 64% and 34%, respectively, of the Company's revenues. Orbit Garant's manufacturing subsidiary, Soudure Royale, accounted for the remaining 2% of revenue.

- Orbit Garant operates principally in stable jurisdictions, with approximately 93% of the Company's revenues generated in Canada. The Company also operates in the USA, Mexico, Guyana (South America) and Liberia (West Africa). Approximately 98% of the Company's revenues were in Canadian dollars, which provides currency stability.

- Approximately 85% of Orbit Garant's revenue was generated from major and intermediate mining company projects, compared to 68% for the same period last fiscal year. There are currently no projects that represent more than 10% of the Company's total revenues. Orbit Garant's drilling contracts with major and intermediate customers range from one to three years in length.

BUSINESS STRATEGY

Orbit Garant's goal is to be a leading Canadian-based mineral drilling company, while pursuing international opportunities, providing both underground and surface drilling for all stages of the mining and minerals 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 strong 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 courses for the Company's personnel to continuously improve labour efficiency and the availability of a skilled labour force;
- Maintain a high level of safety standards in the work environment, and promote protection of the environment;
- Establish and maintain long-term relationships with customers;
- Cross-sell drilling services to existing customers;
- Expand its bases of operations in strategic regions; and
- Evaluate strategic acquisition opportunities to enhance value for the Company's stakeholders.

INDUSTRY OVERVIEW

Mining companies typically outsource their drilling requirements. The contract drilling industry provides drilling services for the mining industry through all stages of mine development, from exploration through production. Mineral drilling companies typically service three types of mining companies: majors (or senior), intermediates, 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 and development programs, and/or ongoing mining operations.

Gold

The price of gold increased for the 12th year in a row in 2012 closing at US$1,664 per ounce. The price of gold went to a two-year low in mid-April below US$1,400 an ounce, however at the time of this report, the spot price for gold was more than US$1,420 an ounce. Despite the current price volatility and uncertainty, we believe the fundamentals supporting gold demand remain in place. Global monetary easing, economic troubles in Europe and perceived geopolitical risk in certain areas of the world support our long-term view of steady demand for gold as a safe haven for capital. Further, increasing affluence in developing countries has resulted in increasing demand for gold jewellery.

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.

Prices for aluminum, copper, lead, nickel and zinc – the primary industrial metals – have been volatile over the past year, and at the time of this report, prices for each of these base metals are lower than they were 12 months ago.

Current global economic uncertainties including European debt levels and a slowdown in China's economy have created concerns over future demand.

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 producer, China is widely regarded as having the most influence on global iron ore market prices. Continuing urbanization of the world's population, primarily in China and India, is fuelling global steel consumption, with demand expected to double by 2050. The spot price of iron ore is affected in the short term by seasonal effects, short term mismatches between supply and demand and other factors; however, we believe the urbanization trend will drive demand and growth in the longer term. Prices for iron ore have been volatile over the past 12 months. At the time of this report, spot prices for iron ore are approximately US$140 per tonne. While current spot prices for iron ore are below the record spot price levels of over US$190 reached in 2011, they remain well above the five-year price lows.

Market Participants

The year 2012 was a challenging one for intermediates and juniors to raise capital, which has resulted in budget restraints and scaled back exploration and development programs. This trend has continued in 2013. Rising costs of mineral production are also causing mining companies to review exploration and capital budgets and some senior gold and base metals producers have reduced or postponed some of their exploration programs.

Given current industry conditions, management expects the worldwide budget for non-ferrous metals exploration to decrease in 2013. Junior companies typically rely on equity financing to fund exploration since they do not generate operating cash flow from producing mines. Thus, their exploration spending capacity largely depends on market conditions and investor interest. According to SNL Metals Economics Group, the amount of capital raised for precious and base metals exploration by junior companies in 2012 was down from 2011 levels, and the proportion of global exploration spending dedicated to early-stage and generative work fell to a historic low in 2012, mainly as a result of stagnant junior budgets. Canada is known for its large contingent of junior mining companies. According to Natural Resources Canada, exploration spending by junior companies in Canada was $1.7 billion in 2012, down 15% from 2011 spending of $2.0 billion. In 2013, exploration spending by junior companies in Canada is expected to total $1.5 billion.

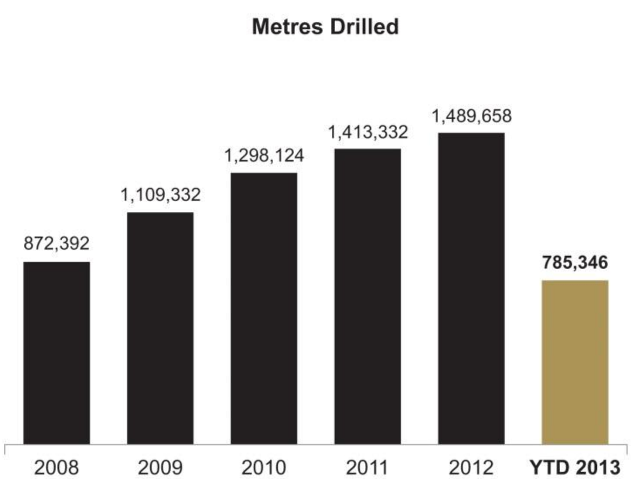
OVERALL PERFORMANCE

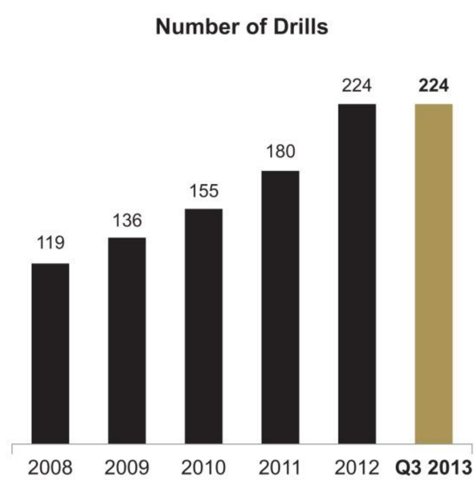
Results of operations third quarter ended March 31, 2013

THIRD QUARTER ENDED MARCH 31 * ($millions)	Fiscal 2013 Quarter 3	Fiscal 2012 Quarter 3	2013 vs. 2012 Variation	Variation (%)
Revenue *	**23.7**	41.7	**(18.0)**	**(43.2)**
Gross profit *	**3.4**	10.0	**(6.6)**	**(65.6)**
Gross margin (%)	**14.5**	23.9		**(9.4)**
Adjusted gross margin (%) [(1)]	**25.3**	29.4		**(4.1)**
EBITDA * [(2)]	**2.9**	8.3	**(5.4)**	**(64.7)**
Metres drilled	**239,960**	396,525	**(156,565)**	**(39.5)**
Net (loss) earnings *	**(0.6)**	3.5	**(4.1)**	**(118.1)**
Net (loss) earnings per common shares - Basic ($)	**(0.02)**	0.10		
- Diluted ($)	**(0.02)**	0.10		

[(1)] Reflects gross margin, excluding amortization 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 Q3 FY2013, Orbit Garant drilled 239,960 metres, a 39.5% decrease from 396,525 metres drilled during Q3 FY2012. The size of the Company's drilling fleet remained stable at 224 drill rigs, as Soudure Royale manufactured two new computerized rigs, and disposed of two drill rigs.



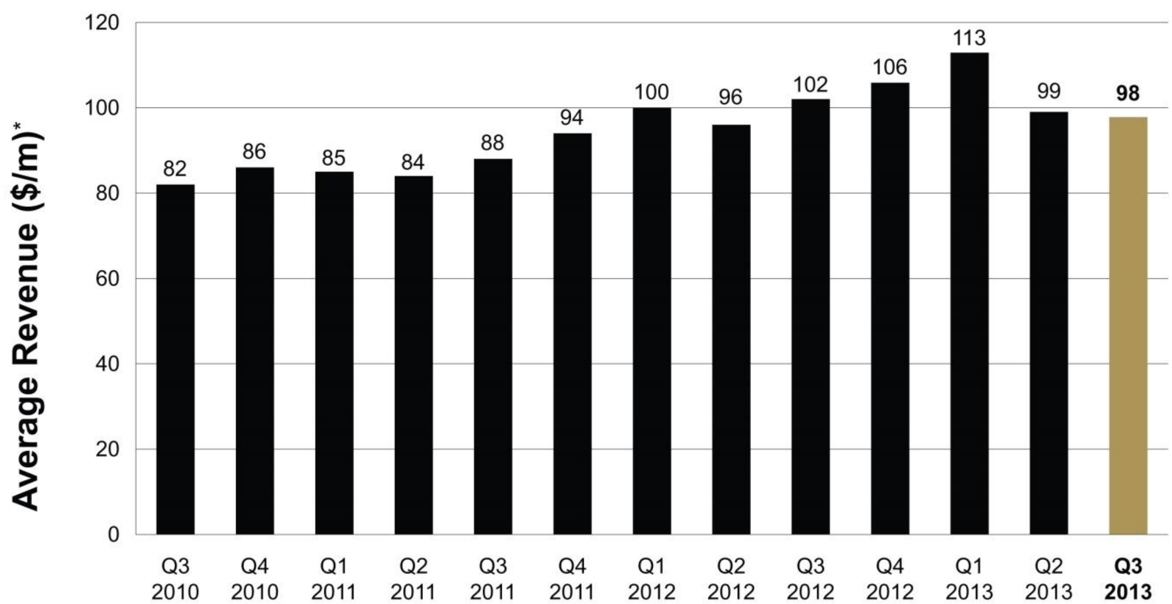


ANALYSIS OF THE THIRD QUARTER OF FISCAL 2013 COMPARED TO THE THIRD QUARTER OF FISCAL 2012

Contract revenue Segmented Information * ($ millions)	Three months ended					
	March 31, 2013			March 31, 2012		
	Revenue ($)	Gross profit ($)	Gross margin (%)	Revenue ($)	Gross profit ($)	Gross margin (%)
Drilling Canada *	23.3	4.0	17.4	35.6	7.0	19.7
Drilling International *	0.4	(0.6)	(166.1)	6.1	3.0	48.5
	23.7	3.4	14.5	41.7	10.0	23.9

Contract Revenue

Revenue for Q3 FY2013 totaled $23.7 million, a decrease of $18.0 million, or 43.2%, compared to Q3 FY2012. The decrease was primarily attributable to a decline in metres drilled, as some of the Company's customers have suspended or scaled back their drilling activities, and lower average revenue per metre drilled in Q3 FY2013, compared to Q3 FY2012. The Company's average revenue per metre drilled in Q3 FY2013 was $97.80 compared to $101.68 in Q3 FY2012.



* Figures are rounded to the nearest dollar.

Drilling Canada revenue was $23.3 million in Q3 FY2013, compared to $35.6 million in Q3 FY2012, representing a decrease of $12.3 million, or 34.5%. The decrease was primarily attributable to a decline in metres drilled during the quarter.

Drilling International revenue was $0.4 million in Q3 FY2013, compared to $6.1 million in Q3 FY2012, a decrease of $5.7 million, or 93.9%, due to lower demand for drilling services.

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

Gross profit for Q3 FY2013 decreased to $3.4 million from $10.0 million in Q3 FY2012. Gross margin for Q3 FY2013 decreased to 14.5% from 23.9% in the third quarter a year ago. In accordance with IFRS, amortization expenses totalling $2.6 million are included in cost of contract revenue for Q3 FY2013, compared to $2.3 million for Q3 FY2012. Adjusted gross margin, excluding amortization expenses, decreased to 25.3% in Q3 FY2013, from 29.4% in Q3 FY2012. The decline in gross profit and gross margin is attributable to reduced metres drilled for both domestic and higher-margin international projects, lower average revenue per metre drilled, as well as to labour and equipment relocation costs related to completed contracts which were not renewed or replaced as had previously been expected.

General and Administrative Expenses

General and administrative (G&A) expenses were reduced to $3.8 million (16.0% of revenue) in Q3 FY2013, compared to $4.6 million (11.0% of revenue) in Q3 FY2012. In accordance with IFRS, amortization expenses of $0.7 million are included in G&A expenses for Q3 FY2013, in line with Q3 FY2012. Adjusted G&A expenses, excluding amortization expenses, were reduced to $3.1 million (13.0% of revenue) in Q3 FY2013, from $3.9 million (9.4% of revenue) in Q3 FY2012. The Company has taken steps to reduce its total G&A expenses due to the current decline in drilling activities.

EBITDA (see Reconciliation of non-IFRS measures)

EBITDA totalled $2.9 million (12.3% of revenue) in Q3 FY2013, compared to $8.3 million (19.8% of revenue) in the third quarter a year ago, a decrease of $5.4 million, or 64.7%. The decline is primarily attributable to decreased domestic and international drilling revenue.

Financial Expenses

Interest costs related to long-term debt and bank charges were $0.3 million in Q3 FY2013, compared to $ 0.4 million in Q3 FY2012.

Income Taxes

Income taxes were $(0.1) million for Q3 FY2013, compared to $1.4 million in the third quarter of fiscal 2012, attributable to the net loss in Q3 FY2013.

Net (Loss) Earnings

Net loss in Q3 FY2013 was $0.6 million, or $0.02 per common share (basic and diluted), compared to net earnings of $3.5 million, or $0.10 per share (basic and diluted) in Q3 FY2012. The Company's net loss in the quarter resulted from the impact of decreased revenue and lower gross margin.

NINE MONTHS ENDED MARCH 31, 2013 COMPARED TO NINE MONTHS ENDED MARCH 31, 2012

NINE MONTHS ENDED MARCH 31 * ($ millions)	2013	2012	Variation	Variation (%)
Revenue *	82.8	111.3	(28.5)	(25.6)
Gross profit *	13.2	26.0	(12.8)	(49.0)
Gross margin (%)	16.0	23.3		(7.3)
Adjusted gross margin (%) (1)	25.0	29.1		(4.1)
EBITDA * (2)	12.3	22.3	(10.0)	(44.8)
Meters drilled	785,346	1,087,532	(302,186)	(27.8)
Net earnings *	1.1	9.0	7.9	(87.7)
Net earnings per common shares - Basic ($)	0.03	0.27		
- Diluted ($)	0.03	0.26		

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

Contract Revenue

Segmented Information * ($ millions)	Nine months ended					
	March 31, 2013			March 31, 2012		
	Revenue ($)	Gross profit ($)	Gross margin (%)	Revenue ($)	Gross profit ($)	Gross margin (%)
Drilling Canada *	77.3	13.7	17.8	94.2	16.3	17.3
Drilling International *	5.5	(0.5)	(9.0)	17.1	9.7	56.5
	82.8	**13.2**	**16.0**	**111.3**	**26.0**	**23.3**

Revenues totalled $82.8 million for the nine-month period ended March 31, 2013, a decrease of $28.5 million, or 25.6%, from $111.3 million during the comparable period in fiscal 2012. The decline in revenue in the first nine months of fiscal 2013 resulted primarily from decreased business activity in the second and third quarters of fiscal 2013.

Drilling Canada revenues were $77.3 million, a decrease of $16.9 million, or 17.9%, compared to $94.2 million for the same period last fiscal year. The decrease was attributable to the lower demand for drilling services in the second and third quarters of fiscal 2013.

Drilling International revenues were $5.5 million compared to $17.1 million in the comparable period last fiscal year, a decrease of $11.6 million, or 67.7%. The decline resulted from lower demand for drilling services throughout the first nine months of fiscal 2013.

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

Gross profit for the first nine months of fiscal 2013 was $13.2 million, a decrease of $12.8 million, or 49.0%, from $26.0 million in the comparable period last fiscal year. Gross margin for the first nine months of fiscal 2013 was 16.0% compared to 23.3% for comparable period in fiscal 2012. Adjusted gross margin, excluding amortization expenses, decreased to 25.0% for the nine-month period ended March 31, 2013, compared to adjusted gross margin of 29.1% for the comparable period last fiscal year, a decrease of 4.1%. The decrease in gross profit and gross margin is primarily attributable to a decline in domestic drilling activity in the second and third quarters of fiscal 2013 and the significant decline in higher margin international business activity in the first nine months of fiscal 2013. The Company also experienced labour and equipment relocation costs related to completed contracts which were not renewed or replaced as had previously been expected.

General and Administrative Expenses

G&A expenses were reduced to $10.5 million (12.7% of revenue) in the nine-month period ended March 31, 2013, from $12.0 million (10.8% of revenue) for the comparable period last fiscal year. Lower G&A expenses resulted in part from a one-time gain of $0.8 million associated with a write-off of a portion of a contingent consideration in Q2 FY2013.

G&A expenses, excluding amortization of $2.2 million, were reduced to $8.4 million (10.1% of revenue) for the nine-month period ended March 31, 2013, from $10.0 million (9.0% of revenue) in the comparable period last fiscal year. The Company has reduced its total G&A expenses and will continue to manage these expenses in line with its level of drilling activities.

Financial Expenses

Interest costs related to long-term debt and bank charges were $1.0 million for the nine-month period ended March 31, 2013, in line with the first nine months of fiscal 2012.

Income Taxes

Income taxes were $0.6 million in the nine-month period ended March 31, 2013, compared to $3.9 million for the comparable period in fiscal 2012. The decline in income taxes resulted from the Company's net loss in the second and third quarters of fiscal 2013.

Net Earnings

Net earnings for the nine-month period ended March 31, 2013, were $1.1 million, or $0.03 per common share (basic and diluted), compared to $9.0 million, or $0.27 per share (basic) and $0.26 per share (diluted), for the comparable period last fiscal year. Decreased net earnings resulted primarily from the decline in domestic drilling activity in the second and third quarters of fiscal 2013, and the significant decline in higher margin international business activity in the first nine months of fiscal 2013.

EBITDA (see Reconciliation of non-IFRS measures)

EBITDA was $12.3 million for the nine-month period ended March 31, 2013, compared to $22.3 million in the comparable period last fiscal year, a decrease of $10.0 million, or 44.8%. EBITDA in the nine-month period ended March 31, 2013, represented 14.8% of sales, compared to 20.0% of sales in the comparable period last fiscal year.

SUMMARY OF QUARTERLY RESULTS (1)

* ($millions)		Fiscal 2013			Fiscal 2012				Fiscal 2011
		Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30
Revenue *		**23.7**	24.2	34.9	43.6	41.7	32.4	37.1	41.0
Gross profit *		**3.4**	2.9	6.9	7.7	10.0	7.1	8.9	10.1
Gross margin %		**14.5**	11.9	19.8	17.7	23.9	21.7	24.0	24.7
Adjusted Gross margin % (2)		**25.3**	22.2	26.8	22.6	29.4	28.3	29.5	29.2
Net (loss) earnings *		**(0.6)**	(0.3)	2.0	1.3	3.5	1.9	3.7	4.6
EBITDA (3) *		**2.9**	3.1	6.3	5.5	8.3	5.8	8.3	9.3
Net (loss) earnings per common share ($)	- Basic	**(0.02)**	(0.01)	0.06	0.04	0.10	0.06	0.11	0.14
	-Diluted	**(0.02)**	(0.01)	0.06	0.04	0.10	0.05	0.11	0.13

(1) Figures for fiscal 2011 have been restated to comply with IFRS.
(2) Reflects gross margin, excluding amortization expenses. See "Reconciliation of non-IFRS financial measures"
(3) EBITDA 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 $2.9 million during Q3 FY2013, compared to $8.5 million in Q3 FY2012.

The change in non-cash operating working capital items was an outflow of $2.8 million for the quarter compared to an outflow of $4.0 million for the same period last year. The outflow in non-cash operating working capital in the quarter ended March 31, 2013 resulted primarily from a larger increase in accounts receivable than accounts payable and accrued liabilities.

Investing Activities

Cash used in investing activities totalled $0.9 million in Q3 FY2013, compared to $3.1 million in Q3 FY2012. During Q3 FY2013, $1.2 million was used for the acquisition of property, plant and equipment, partially offset by cash of $0.3 million on disposition of property, plant and equipment. This compares with $3.2 million for the acquisition of property, plant and equipment and cash of $0.1 million on disposition of property, plant and equipment in Q3 FY2012.

Financing Activities

During Q3 FY2013, the Company drew a net amount of $1.6 million from its $40.0 million revolving Credit Facility. In Q3 FY2012 the Company repaid a net amount of $0.7 million. As at March 31, 2013, the Company's long-term debt, including the current portion, was $19.6 million, compared to $26.4 million as at June 30, 2012. The debt was used to support the acquisition of Lantech Drilling in the second quarter of fiscal 2012, and for the acquisition of other capital assets, including property, plant and equipment.

As at March 31, 2012, the Company's working capital was $55.1 million, compared to $60.3 million as at June 30, 2012. The decline in working capital resulted from a larger reduction in accounts receivable than the accounts payable and accrued liabilities noted above. The Company's working capital requirements are primarily to fund inventory acquisition and to support account receivables.

The Company believes that it will be able to generate sufficient cash flow to meet its current and future working capital expenditure and debt obligations. The Company's principal capital expenditures are for 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 also equity financing. On May 27, 2011, Orbit Garant obtained a $40.0 million secured, four-year revolving credit facility (the "Credit Facility"). Orbit Garant and its lenders have the option to increase the funds available under the Credit Facility up to a total of $60.0 million, subject to certain conditions. The Credit Facility will be used to fund working capital requirements and provide further flexibility to the Company's long-term acquisition program. This Credit Facility matures no later than May 27, 2015. As of March 31, 2013, the Company had drawn $19.2 million.

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 OF MAY 14, 2013

Number of common shares	**33,276,519**
Number of options	**3,173,000**
Fully diluted	**36,449,519**

On November 15, 2012, 550,000 stock options were granted for an exercise price of $2.28 per share.

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 the Company's consolidated financial statements for the year ended June 30, 2012 were consistently applied to all periods presented. Please refer to Note 3 in the Company's consolidated financial statements for the year ended June 30, 2012 for a complete description of the Company's significant accounting policies. These interim condensed consolidated financial statements have not been reviewed 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 4 in the Company's consolidated financial statements for the year ended June 30, 2012, and remained unchanged for the nine-month period ended March 31, 2013.

These unaudited interim condensed consolidated financial statements were approved for issue by the Board of Directors of Orbit Garant Drilling Inc. on May 14, 2013.

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the contingent considerations, 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").

These unaudited interim condensed consolidated financial statements are intended to provide an update on the Company's 2012 annual financial statements. Accordingly, they do not include all the information required for annual financial statements and should be read in conjunction with the Company's 2012 annual audited financial statements.

Principles of Consolidation

The Company's unaudited interim condensed consolidated financial statements incorporate the financial statements and entities controlled by the Company. A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the 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.

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 7 -Financial instruments - Disclosure, and IAS 32 - Financial instruments - Presentation
IFRS 7 and IAS 32 were amended to include obligations of qualitative and quantitative information related to gross and net amounts recognized in the Financial statements that; a) are subject to an offset in the Statement of financial position and b) are subject to a master netting agreement or similar agreement enforceable even if they are not netted in the Statement of financial position. Amended IFRS 7 and amended IAS 32 are applicable for periods beginning on, or after January 1, 2013 and January 1, 2014, respectively, and the disclosures must be presented retrospectively.

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, 2015 with early adoption permitted.

IFRS 10 – Consolidated Financial Statements
IFRS 10 replaces SIC-12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements and provides additional guidance regarding the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. IFRS 10 is effective from periods beginning January 1, 2013 with early adoption permitted.

IFRS 11 – Joint Arrangements
IFRS 11 replaces IAS 31, Interests in Joint Ventures, with guidance that focuses on the rights and obligations of the arrangement, rather than its legal form. It also withdraws the option to proportionately consolidate an entity's interests in joint ventures. The new standard requires that such interests be recognized using the equity method. IFRS 11 is effective from periods beginning January 1, 2013 with early adoption permitted.

IFRS 12 – Disclosure of Interests in Other Entities
IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose entities and other off balance sheet vehicles. IFRS 12 is effective from periods beginning January 1, 2013 with early adoption permitted.

IFRS 13 – Fair value measurements
IFRS 13 defines the fair value and demands the disclosure of the estimates at fair value and provides guidance on measuring fair value when required or permitted to do so according to the IFRS standards. IFRS 13 is effective from periods beginning January 1, 2013 with early adoption permitted.

IAS 19 - Employee benefits
ISA 19 was amended to eliminate the application of the so-called "corridor" method has the effect of deferring the recognition of gains and losses, to simplify the presentation of changes in assets and liabilities arising from defined benefit plans and improve disclosures for defined benefit plans. IAS 19 amended is effective for periods beginning on, or after January 1, 2013 with early adoption permitted.

IAS 27 - Separate Financial Statements and IAS 28 - Investments in Associates and Joint Ventures
IAS 27 and IAS 28 were amended and renamed to be consistent with the publication of IFRS 10, IFRS 11 and IFRS 12. IAS 27 amended and IAS 28 amended are applicable for periods beginning on or after January 1, 2013 with early adoption permitted of the entity early adopts also IFRS 10, IFRS 11 and IFRS 12.

The International Accounting Standards Board issued a collection of amendments to IFRS as follows:

IFRS 1, First-time adoption of IFRS («IFRS 1») related to repeated application of IFRS 1 and to borrowing costs.

IAS 1, *Presentation of Financial Statements*, related to clarification of the requirements for comparative information.

IAS 16, Property, Plant and Equipment, related to classification of servicing equipment.

IAS 32, Financial Instruments: Presentation, related to tax effect of distribution to holders of equity instruments.

IAS 34, Interim Financial Reporting, related to interim financial reporting and segment information for total assets and liabilities.

These amendments are applicable for the Company for its annual periods beginning on or after January 1, 2013, with earlier application permitted.

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 for evaluating 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.

Non-IFRS Financial Measures

EBITDA: Profit for the period before finance income and costs, income tax expenses and amortization.

Adjusted gross margin: Contract revenue less operating costs. Operating expenses comprise material and service expenses, personnel expenses, other operating expenses, excluding amortization.

EBITDA

Reconciliation of EBITDA

(unaudited) (in millions of dollars)	Three months ended March 31, 2013	Three months ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
Net earnings for the period	**(0.6)**	3.5	**1.1**	9.0
Finance costs	**0.3**	0.4	**1.0**	1.0
Income tax expense	**(0.1)**	1.4	**0.6**	3.9
Amortization	**3.3**	3.0	**9.6**	8.4
EBITDA	**2.9**	8.3	**12.3**	22.3

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)	Three months ended March 31, 2013	Three months ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
Contract revenue	**23.7**	41.7	82.8	111.3
Cost of contract revenue (including amortization)	**20.3**	31.7	69.6	85.3
Less amortization	**(2.6)**	(2.3)	(7.5)	(6.4)
Direct costs	**17.7**	29.4	62.1	78.9
Adjusted gross profit	**6.0**	12.3	20.7	32.4
Adjusted gross margin (%) (1)	**25.3**	29.4	25.0	29.1

(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 must be read in conjunction with, the detailed information appearing elsewhere in this report and in the Company's Annual Information Form dated September 19, 2012. 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 materially, adversely affected.

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 May 14,2013, Pierre Alexandre, the Vice-Chairman of the Company and Vice-President of Corporate Development, 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

With both base metals and gold prices now at lower levels than a year ago, many senior and intermediate mining companies are reviewing their exploration and development programs. Some of Orbit Garant's senior and intermediate mining company customers have scaled back their drilling programs for 2013. The recent decline in gold prices has raised concerns that gold producers will have to slow spending including deferring new capital programs and cutting discretionary expenses should prices continue to decline. As gold prices have risen over the past decade, production costs including labour, materials, equipment and energy have been rising as well. Junior exploration companies had difficulty in raising capital to finance their exploration programs throughout 2012 and this trend has continued in 2013. As a result, junior company exploration programs have been suspended or scaled back. These factors have created a temporary oversupply of drilling services capacity in the market, which in turn has created downward pricing pressure. Management expects these factors to continue to negatively affect Orbit Garant's utilization rates and gross margins in the near term.

Management believes the long-term outlook for the mining industry is positive. While global economic conditions may negatively impact market conditions from time-to-time, management believes long-term global demand for ferrous and non-ferrous metals combined with depleting supplies, will ultimately result in increased exploration and development activities by mining companies over the long term. Increased demand for minerals from developing countries, such as Brazil, Russia, India and China, is providing the greatest impetus for long-term growth. China, the world's second largest economy, now has a significant impact on global demand and pricing of ferrous and non-ferrous metals. The lack of major new mineral discoveries, shortages of labour and other supply issues affecting traditional markets are all contributing to constraints in supply.

Management will continue to strive to enhance stakeholder value by focusing on optimizing capacity utilization, increasing productivity and continuing to build upon the Company's strong health and safety standards. Management believes the Company's computerized monitoring and control drilling technology will be an important contributor towards reducing both the labour and consumable component costs of mineral drilling, enhancing driller productivity rates and improving safety going forward. However, given the current weakened market conditions, Orbit Garant now expects to have 16 drill rigs featuring its computerized monitoring and control technology by the end of fiscal 2013, down from its prior target of approximately 20 at the end of Q2 FY2013. The Company 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, Orbit Garant remains committed to pursuing value-enhancing growth opportunities in Canada and internationally.

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 nine months ended March 31, 2013, 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 of the end of the period covered by this report.